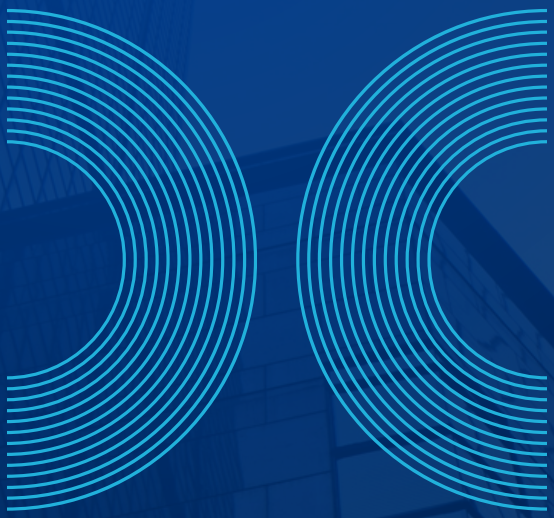
Devinciia™
Market Research Company

VIETNAM INVESTMENT

ANNUAL REPORT



2024

Prepared By:
Phung Thi Lan Anh &
Devinciia Vietnam

DEVINCIIA VIETNAM PTE. LTD.
www.devinciia.com

© 2025 by Phung Thi Lan Anh and Devinciia. All rights reserved.
No part of this report may be reproduced, distributed, or transmitted in any form or by any means without prior written permission of the author or the supervising institution.
All data used in this report are sourced from publicly available and official publications.

WELCOME TO VIETNAM INVESTMENT

ANNUAL REPORT 2024

DR. BUI KHAC LINH

CEO, Devinciia Vietnam

Devinciia Vietnam is proud to introduce our Vietnam Investment Handbook 2024 , with the aim of providing an essential guide to the country's investment environment and its evolving economic landscape.

At the forefront of a new era of opportunity across sectors, Vietnam is steadily moving toward a future defined by its sustainable growth, economic resilience and innovation. The report aims to highlight the country's movement and provide global investors with our comprehensive insights, sector analyses, policy updates and market trends that we believe shape one of Asia's most promising markets.

We invite readers to explore the country's dynamic market through the report and grow together with Vietnam's evolving future.

ABBREVIATIONS

AI	Artificial Intelligence
AmCham Vietnam	American Chamber of Commerce in Vietnam
ASEAN	Association of Southeast Asian Nations
ATIGA	ASEAN Trade in Goods Agreement
ATISA	ASEAN Trade in Services Agreement
BIT	Bilateral Investment Treaty
BRC	Business Registration Certificate
CAGR	Compound Annual Growth Rate
CEPA	Vietnam-UAE Comprehensive Economic Partnership Agreement
CIT	Corporate Income Tax
CPV	Communist Party of Vietnam
CPTPP	Comprehensive and Progressive Agreement for Trans-Pacific Partnership
CKER	Central Key Economic Region
CSR	Corporate Social Responsibility
DTAA	Double Taxation Avoidance Agreement
DPI	Department of Planning and Investment
DPPA	Direct Power Purchase Agreement
EMIL	Emerging Markets Logistics Index
EPZs	Export Processing Zones
ERC	Enterprise Registration Certificate
ESG	Environment, Social and Governance
EuroCham Vietnam	European Chamber of Commerce in Vietnam
EVFTA	EU-Vietnam Free Trade Agreement
FDI	Foreign Direct Investment
FiT	Feed-in Tariff
FTA	Free Trade Agreement
GDP	Gross Domestic Product
ILO	International Labor Organization
ISF	Investment Support Fund
JETP	Just Energy Transition Partnership
LURs	Land-Use Rights
MENA	Middle East and North Africa
MOIT	Ministry of Industry and Trade
MPI	Ministry of Planning and Investment
NIC	National Innovation Center
NKER	Northern Key Economic Region
PDP8	Eighth National Power Development Plan
PPP	Public-Private Partnership
R&D	Research and Development
RCEP	Regional Comprehensive Economic Partnership
SBV	State Bank of Vietnam
SEZ	Special Economic Zone
SHTP	Saigon Hi-Tech Park
SME	Small and Medium-sized Enterprise
STEM	Science, Technology, Engineering, and Mathematics
UKVFTA	United Kingdom-Vietnam Free Trade Agreement
VAT	Value-Added Tax
VCCI	Vietnam Chamber of Commerce and Industry
VIFTA	Vietnam-Israel FTA
VSIP	Vietnam-Singapore Industrial Park
VNG	VNG Corporation
WFOEs	Wholly Foreign-owned Enterprises
WTO	World Trade Organization
WTE	Waste-to-energy
GIs	Geographical Indications
ICT	Information and Communication Technology
IRC	Investment Registration Certificate
SKER	Southern Key Economic Region

TABLE OF CONTENTS

PURPOSE & OBJECTIVE	04
WHY INVEST IN VIETNAM	**05**
VIETNAM'S POSITION IN GLOBAL MARKET	09
VIETNAM'S ECONOMIC OUTLOOK	**13**
FDI LANDSCAPE	17
VIETNAM'S TRADE REVOLUTION	**22**
INVESTMENT LANDSCAPE	26
KEY SECTORS FOR INVESTMENT	**32**
INVESTMENT POLICIES AND REGULATIONS	43
REGIONAL INVESTMENT OPPORTUNITIES	**46**
CASE STUDIES	51
PRACTICAL GUIDELINES	**52**
REFERENCES	56

PURPOSE & OBJECTIVE

Vietnam has rapidly become one of the most attractive investment destinations in Southeast Asia, thanks to its stable economic growth, investor-friendly policies, and strong regional connectivity. The Vietnam Investment Handbook 2024 serves as a comprehensive guide for foreign investors, business leaders, and policymakers looking to gain deeper insights into the Vietnamese investment landscape.

In particular, the handbook aims to provide comprehensive insights into Vietnam's regulatory framework, investment policies, and economic environment. It includes detailed sectoral analyses, highlighting opportunities in key industries such as manufacturing, technology, real estate, renewable energy, and agriculture. By outlining regional investment potential, the guide helps investors identify strategic locations for business expansion from established economic hubs like Ho Chi Minh City and Hanoi to emerging markets in rural areas.

Additionally, the handbook helps investors navigate Vietnam's legal and regulatory system by covering taxation, compliance requirements, and investment incentives. It offers practical guidance on setting up a business, including licensing procedures, financial considerations, and available government support. Furthermore, it provides key connections to resources such as government agencies, trade offices, and business chambers that facilitate foreign investment.

Vietnam's economic trajectory is strongly shaped by its commitment to sustainable growth, digital transformation, and global trade integration. With rising foreign direct investment (FDI) inflows and a growing consumer market, the country continues to foster an environment conducive to international business. This handbook serves as a vital resource, providing investors with data-driven analysis, case studies, and best practices to support informed investment decisions and successful navigation of the evolving Vietnamese market.

Vietnam Investment Annual Report

WHY INVEST IN VIETNAM

Why Invest in Vietnam

Strategic Location & Political Stability

Northern Zone
Hanoi, Hai Phong
-> China Gateway

Central Zone
Da Nang, Quang Nam
-> Transit Hub

Southern Zone
Ho Chi Minh City
-> Commercial Center

3,200+ km coastline | 15+ deep-water ports | East-West Economic Corridor

GDP (2024)	GDP per Capita (2024)	FDI Registered (2024)
475,8	4,850	38,23
Billion USD	USD	Billion USD
+7.09%	+290 USD	+4.4%

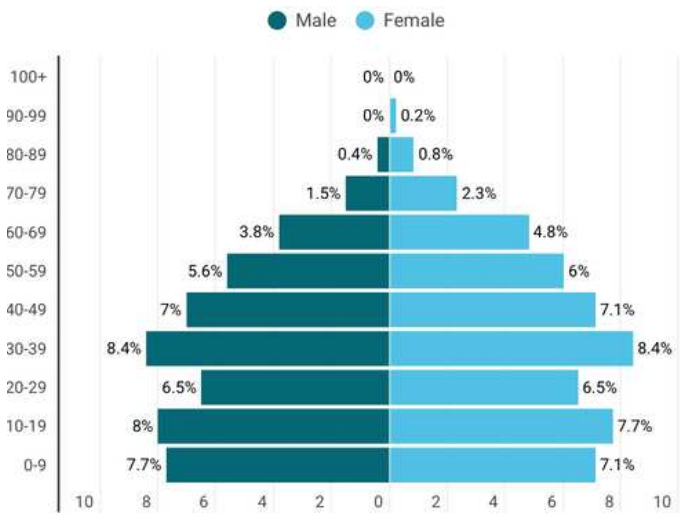
FDI Disbursed (2024)	Export (2024)	Import (2024)
25,35	365,2	340,1
Billion USD	Billion USD	Billion USD
+9.4%	+2.9%	+4.7%

Vietnam's geographic location offers a strategic advantage that few Southeast Asian countries can match. Positioned at the crossroads of key regional supply chains, Vietnam shares borders with China, Laos, and Cambodia, and lies along crucial maritime routes in the East Sea (South China Sea) (Vietnam Trade Promotion Agency, 2020). This makes the country a gateway to the broader ASEAN region and a vital link between Northeast Asia and global markets. The country's three major economic zones as the Northern, Central, and Southern Key Economic Regions, which are strategically positioned to support trade and industrial development. Northern Vietnam, with Hanoi and Hai Phong, connects to Southern China; the Southern zone centers on Ho Chi Minh City and Binh Duong, Vietnam's commercial and logistics heart; and the Central region, including Da Nang and Quang Nam, serves as a natural transit hub along the East–West Economic Corridor connecting Vietnam with Laos, Thailand, and Myanmar. In addition to its terrestrial advantage, Vietnam boasts over 3,200 km of coastline and numerous deep-water ports, reinforcing its role as a logistics and manufacturing hub for regional and international trade. Moreover, the country holds great potential in ocean-based industries, including marine tourism, fisheries, offshore wind, and aquaculture - key sectors targeted under Vietnam's marine economic development strategy.

Vietnam's long-standing political stability further strengthens its investment appeal. Governed by the Communist Party of Vietnam, the country has maintained a consistent political system and a stable policy environment that assures long-term predictability for foreign investors. This stability has been a crucial factor behind the country's economic success over the past two decades. From 2001 to 2023, Vietnam achieved an average annual GDP growth rate of approximately 7.2%, placing it among the fastest-growing economies in the region. Despite global turbulence, including the COVID-19 pandemic, Vietnam demonstrated remarkable resilience, recording GDP growth of 2.9% in 2020 and 2.6% in 2021, followed by an impressive rebound of 8.02% in 2022, the highest in Asia that year (Dilinh Legal, 2024). By 2023, Vietnam's GDP had risen to USD 430 billion, up from USD 106.01 billion in 2009, reflecting a sustained period of strong economic expansion supported by sound fiscal management, prudent monetary policy, and robust public investment.

Why Invest in Vietnam

Population, Workforce & Urbanization



Source: General Statistics Office, 2024

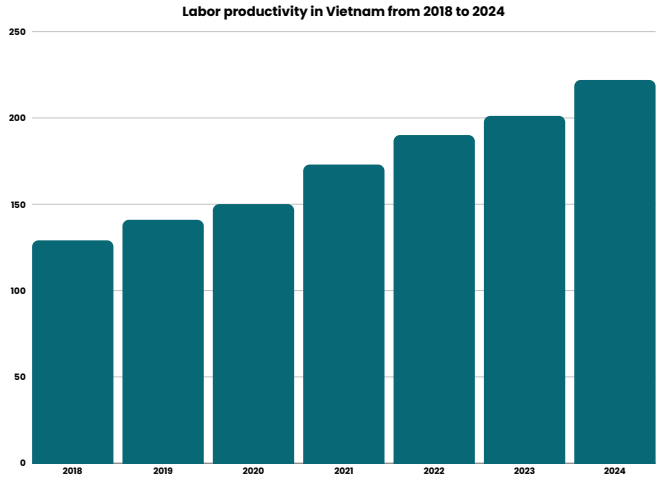
100,9M
Total Population
3rd in Southest Asia

68,5%
Working Age (15-64)
52.4 million people

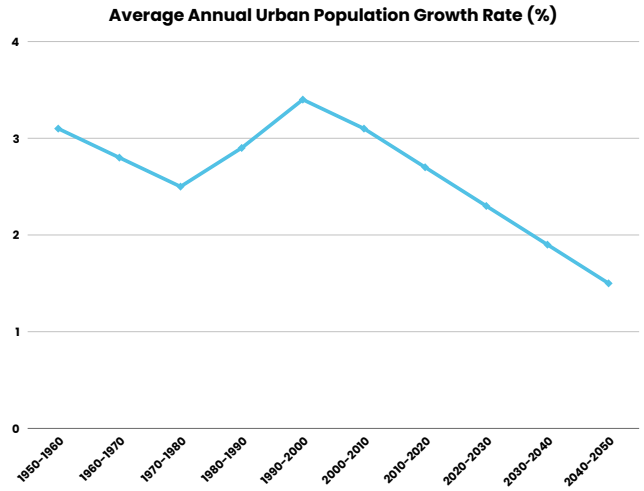
41,7%
Urban Population
+ 50% by 2049

52,4M
Labor Force
Cost-competitve&skilled

As of 2024, Vietnam's population reached approximately 100.9 million, making it the third most populous country in Southeast Asia and one of the most vibrant consumer markets in the region. The country enjoys a 'golden population structure', a demographic period in which the proportion of working-age individuals is at its peak. Specifically, around 68.5% of Vietnam's population, or roughly 52.4 million people, fall within the 15-64 age group, providing a robust and youthful labor force that is both cost-competitive and increasingly skilled. Over the past decade, Vietnam has made substantial investments in vocational education and workforce upskilling to meet the needs of high-tech industries, from electronics and automotive to software development and renewable energy. This growing talent pool, especially in urban centers like Hanoi, Ho Chi Minh City, and Da Nang, has positioned Vietnam as a compelling destination for labor-intensive and knowledge-based foreign direct investment (FDI).



Source: Statista, 2025



Source: Trading Economics, 2024

Simultaneously, Vietnam's urbanization has accelerated, creating new economic hubs and transforming consumption patterns. The urban population has grown from just 30.4% in 2010 to approximately 41.7% in 2024 and is projected to reach nearly 50% by 2049. Rapid urban growth has spurred demand for modern infrastructure, housing, public services, and digital technologies. Urban middle-class expansion is fueling a surge in consumer demand, particularly in sectors like retail, e-commerce, healthcare, education, and entertainment. Cities such as Hanoi, Ho Chi Minh City, and Da Nang are emerging not only as centers of commerce and industry but also as testing grounds for smart city initiatives, green infrastructure, and innovation ecosystems. For foreign investors, Vietnam's demographic dividend and urban transformation offer compelling long-term growth prospects across both manufacturing and service-oriented sectors.

Why Invest in Vietnam

Hub of Opportunity: Incentives, FTAs, and Global Reach

HIGHLIGHTS

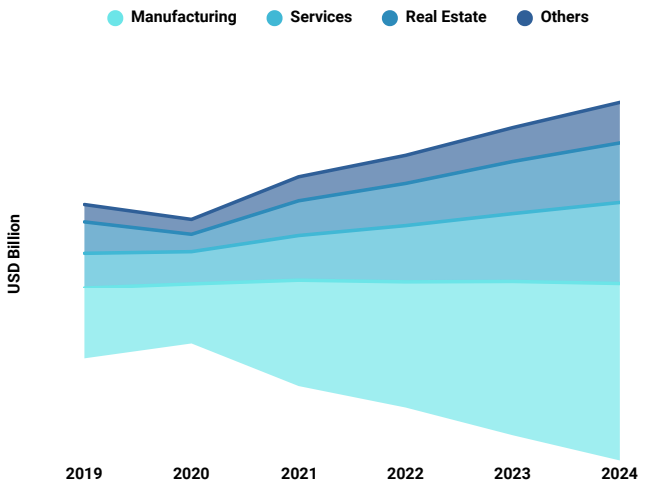
EVFTA — 99% tariff cuts for Vietnamese goods entering EU; boosts legal certainty, IP protection, labor & environmental standards. → EU–Vietnam trade surged ~50% since 2020

CPTPP RCEP — Lower tariffs across 20+ Asia-Pacific economies. Strengthens global value chain integration & export competitiveness.

Trade Volume — EU–Vietnam trade hit ~$297B in 2023. Exports to EU grew +15.4% in H1/2024 alone.

To maintain its competitive edge in the global investment landscape, Vietnam has established a comprehensive framework of investment incentives and international trade integration. The government actively promotes foreign direct investment through a wide range of preferential policies. These include corporate income tax (CIT) exemptions for up to four years, followed by 50% CIT reductions for the subsequent nine years, and reduced CIT rates of 10–15% for projects in prioritized sectors such as high-tech manufacturing, renewable energy, education, and research & development. Additional incentives include land rental exemptions, import duty waivers on equipment and raw materials, and streamlined administrative procedures for investment licensing. These measures are especially prominent in special economic zones (SEZs) and export processing zones (EPZs), where investors benefit from enhanced regulatory clarity and cost advantages.

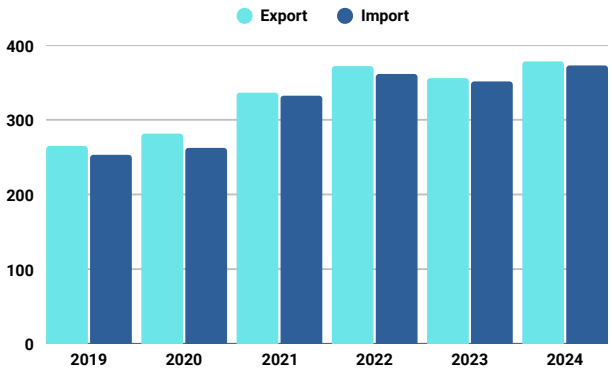
FDI Inflows by Sector (USD Billion)



Source: ARC Group, 2024

Vietnam's extensive network of free trade agreements (FTAs) further enhances its global market access. As of 2024, the country is a party to 17 FTAs, including high-standard pacts such as the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), the EU-Vietnam Free Trade Agreement (EVFTA), and the Regional Comprehensive Economic Partnership (RCEP). These agreements grant Vietnamese goods and services preferential access to over 60 economies, including major markets such as the US, EU, Japan, and South Korea, while simultaneously driving domestic reforms in standards, transparency, and competitiveness. Vietnam's growing integration into the global economy is also reflected in its rapidly expanding digital sector. The digital economy is projected to grow by 20% annually, reaching an estimated USD 43 billion by 2025, supported by strong government commitment to digital transformation and innovation-led growth.

Trade Volume Growth (USD Billion)



Source: CEIC, 2024

In recognition of its strategic progress, Vietnam was ranked as the second most preferred emerging market for value-added and opportunistic investment strategies in CBRE's 2024 investor survey. The country also secured 8th place in the 2023 Emerging Markets Logistics Index, highlighting its strong supply chain infrastructure and logistical capacity. These achievements underscore Vietnam's evolution from a low-cost manufacturing base to a dynamic and competitive investment hub in the Asia-Pacific region. With its pro-business policies, favorable demographics, expanding trade links, and rising role in high-tech and green industries, Vietnam continues to stand out as a top-tier investment destination for multinational corporations and institutional investors alike.

Vietnam Investment Annual Report

Vietnam's Position in Global Market

Vietnam's Position in Global Markets

Global Market Integration

Vietnam has established itself as one of the key players in the global supply chain, leveraging its strategic location, competitive labor costs, and strong government incentives. Participation in multilateral trade agreements such as CPTPP and RCEP has allowed Vietnam to access over 60 markets, reduce trade barriers, and expand economic cooperation with major partners like the U.S., EU, Japan, and South Korea.

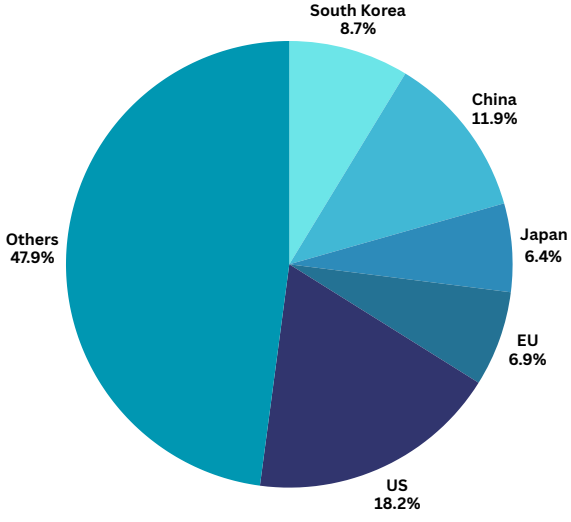
17+ FTAs' member (CPTPP, RCEP, EVFTA, UKVFTA...)

60+ Markets accessed, including EU, U.S., Japan, Korea

$110B+ Vietnam's foreign exchange reserves

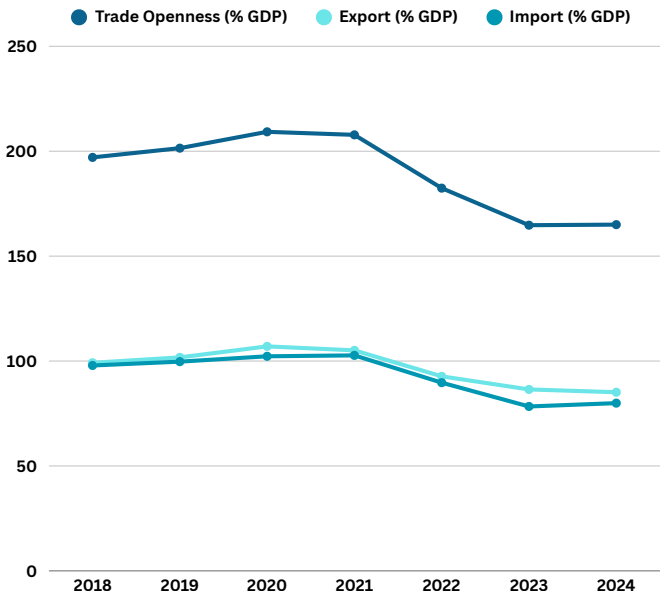
The acceleration of Vietnam's integration has been further amplified by the global "China Plus One" diversification strategy, which has driven multinational corporations to establish alternative manufacturing bases outside China. This shift has positioned Vietnam as the preferred destination for supply chain diversification, offering companies the dual benefits of cost efficiency and geopolitical risk mitigation. The country's competitive advantages include strategic geographic location connecting major Asian markets, competitive labor costs combined with improving productivity, and strong government incentives that actively support foreign investment and technology transfer.

Vietnam Trade Partners 2024



Source: Vietnam Customs, 2024

Vietnam's Trade Openness (% of GDP)



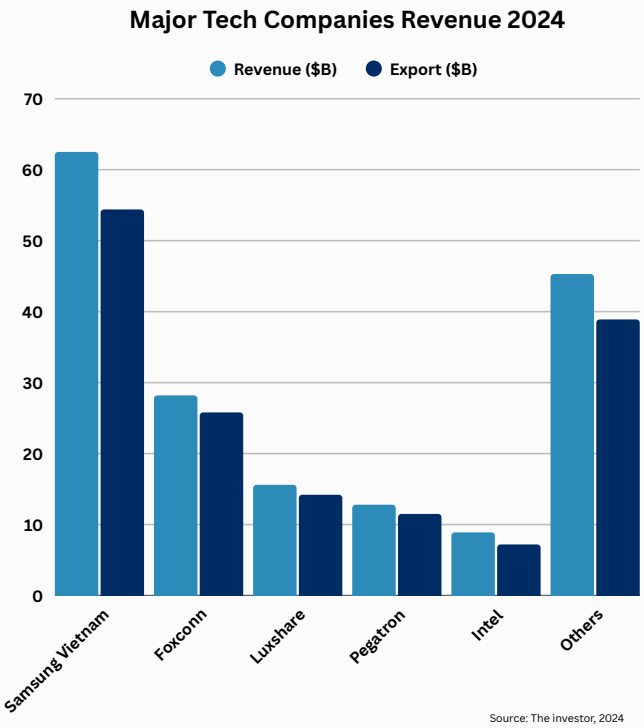
Source: World Bank, 2025

Vietnam's Position in Global Markets

Industry Expansion Highlights

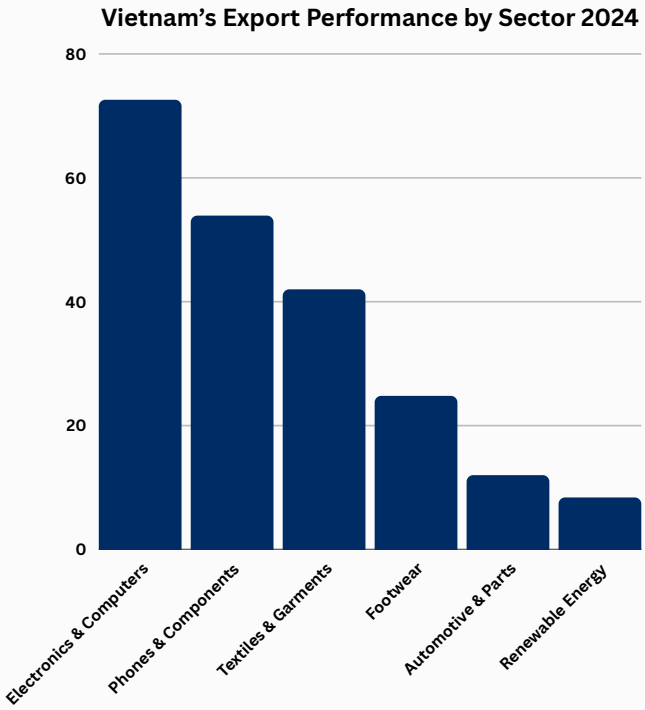
Vietnam's industrial transformation has been most pronounced in the high-technology manufacturing sector, where the country has emerged as the world's second-largest smartphone exporter, trailing only China. Samsung Vietnam exemplifies this success, generating $62.5 billion in revenue and $54.4 billion in exports in 2024, establishing Vietnam as a critical production hub for advanced consumer electronics. The expansion of Apple's supply chain operations through key suppliers including Foxconn, Luxshare, and Pegatron has transformed Vietnam into a major manufacturing center for premium products such as AirPods, Apple Watch, and MacBooks, demonstrating the country's capability to handle sophisticated manufacturing processes.

The semiconductor industry represents Vietnam's next frontier of industrial expansion, with major global players including Intel, Amkor, and Hana Micron investing heavily in chip packaging and assembly facilities. This development positions Vietnam as an emerging player in the global semiconductor supply chain, moving beyond traditional assembly operations toward higher value-added manufacturing activities. The country's semiconductor ambitions align with global trends toward supply chain diversification in critical technology sectors.



Source: The investor, 2024

Vietnam's traditional manufacturing strengths continue to evolve and expand. The textile and garment industry maintains its position as one of the world's top five exporters, with 2024 exports reaching $42 billion, driven by free trade agreements and the adoption of sustainable production practices that meet increasingly stringent international standards. The automotive sector is experiencing rapid growth, with VinFast leading domestic innovation while international manufacturers including Hyundai, Toyota, and Ford expand their operations, contributing to $12 billion in automotive and component exports.



Source: ARC Group, 2024

The renewable energy sector represents Vietnam's commitment to sustainable industrial development, with major international players such as First Solar, Orsted, and Vestas establishing production facilities. This expansion positions Vietnam as a critical supplier in the global renewable energy supply chain, particularly in solar and wind energy technologies, aligning with worldwide sustainability trends and energy transition requirements.

Vietnam's Position in Global Markets

Vietnam's Global Rankings

Vietnam's rapid economic development has translated into significant improvements across key global competitiveness rankings, reflecting the country's enhanced position in the international economy. The country has achieved 32nd place in the Global Export Ranking, a testament to its successful expansion in international trade and growing export sophistication. This ranking improvement demonstrates Vietnam's evolution from a primarily commodity-based exporter to a diversified manufacturing economy capable of competing in high-value markets.

In foreign direct investment attractiveness, Vietnam has secured recognition among the top 10 most attractive FDI destinations worldwide according to UNCTAD, reflecting international confidence in the country's business environment, policy stability, and growth potential. This ranking positions Vietnam alongside established emerging markets and developed economies, indicating its maturation as an investment destination. The country's specific achievements in high-technology manufacturing are evidenced by its 8th place ranking among global electronics exporters, reinforcing its critical role as a production hub in the global technology supply chain.

Innovation and technological advancement metrics show Vietnam's progress toward becoming a knowledge-based economy, with the country achieving 47th place on the Global Innovation Index by WIPO. This ranking reflects improvements in research and development capacity, technological infrastructure, and human capital development, indicating Vietnam's transition toward higher value-added economic activities. The country's commitment to sustainable development is demonstrated by its 5th place ranking globally in renewable energy development speed according to the International Energy Agency, showcasing rapid progress in clean energy adoption and green technology implementation.

These ranking improvements have positioned Vietnam favorably for potential upgrades to emerging market status under MSCI and FTSE Russell classifications, which could unlock access to tens of billions of dollars from global institutional investment funds. The combination of strong economic fundamentals, improved international rankings, and strategic market positioning creates a compelling investment proposition that continues to attract major international investors and reinforces Vietnam's ascending role in the global economic landscape.

32nd
Global Export Rank

Top 10
FDI Attractiveness

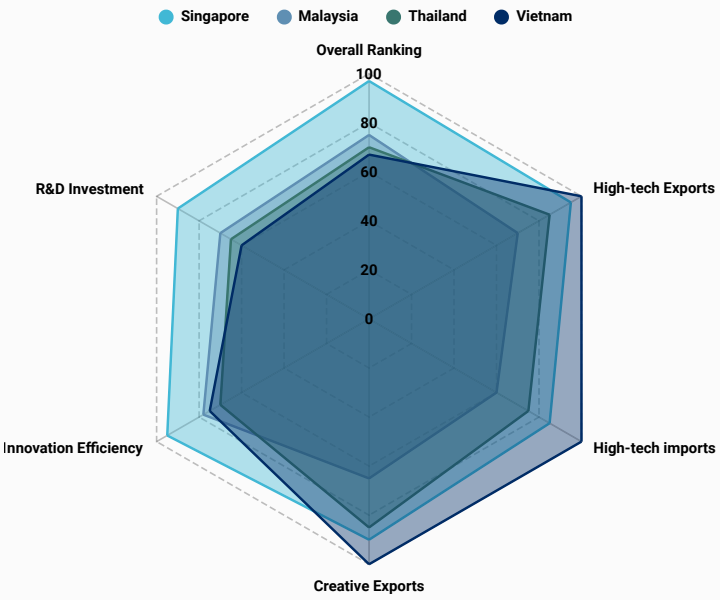
8th
Electronics Exporter

5th
Renewable Energy Growth Speed

47th
Global Innovation Index

8th
Emerging Markets Logistics Index

Global Innovation Index 2024 - ASEAN Countries



Source: WIPO, 2024

Vietnam Investment Annual Report

Vietnam's Economic Outlook

Vietnam's Economic Outlook

Vietnam's GDP Growth

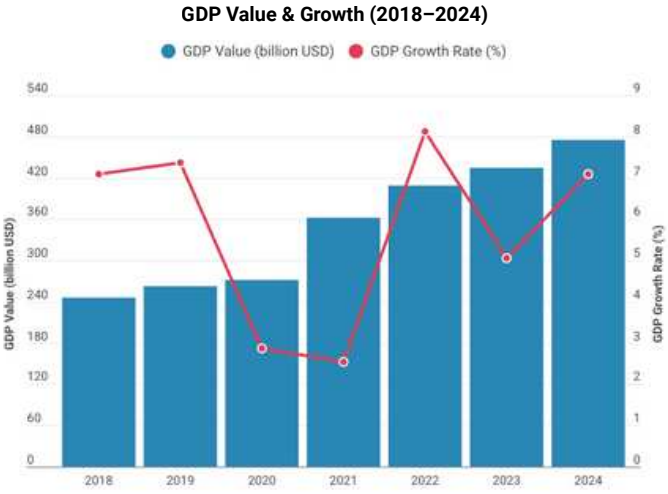
Trends

Vietnam has established itself as one of Asia's most dynamic economies, demonstrating exceptional resilience and structural transformation over the past two decades. The country has successfully transitioned from an agriculture-based economy to a manufacturing and services-driven powerhouse, achieving consistent GDP growth averaging 6.5-7% annually between 2010-2019. This remarkable performance positioned Vietnam among the fastest-growing economies in the region, outpacing many developed and emerging markets.

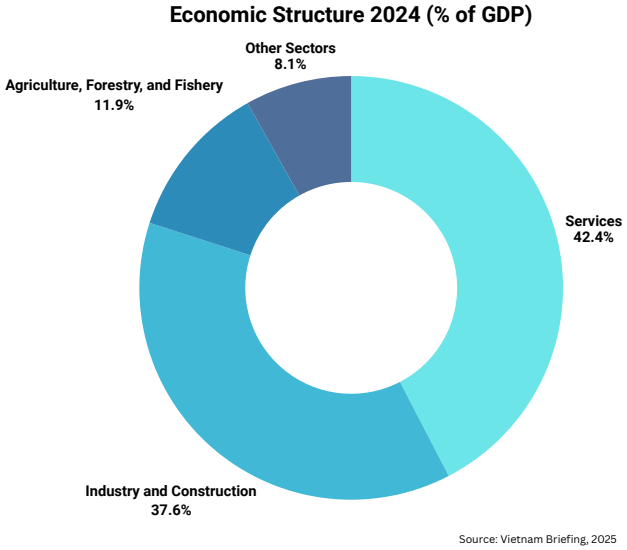
The structural transformation of Vietnam's economy reflects a sophisticated evolution toward higher-value activities. Agriculture's contribution 11.9% to GDP in 2024, while industry and services now account for 37.7% and 42.2% respectively. This shift has been accompanied by significant improvements in human capital development, with 29% of the workforce now holding vocational certificates or degrees, representing a steady increase from previous years. The manufacturing sector has emerged as a cornerstone of this transformation, with industrial production expanding by 6.2% in the first half of 2024, driven primarily by electronics, textiles, and high-tech manufacturing.

Vietnam's economic resilience was particularly evident during the global disruptions of 2020-2023. While the COVID-19 pandemic severely impacted most global economies, Vietnam maintained positive growth rates of 2.87% in 2020 and 2.55% in 2021, significantly outperforming regional averages. The post-pandemic recovery was robust, with GDP growth reaching 8.02% in 2022, the highest in Asia that year. Although growth moderated to 5.05% in 2023 due to global headwinds, Vietnam continued to outpace the global average of 2.9% and the ASEAN regional average of 4.3%.

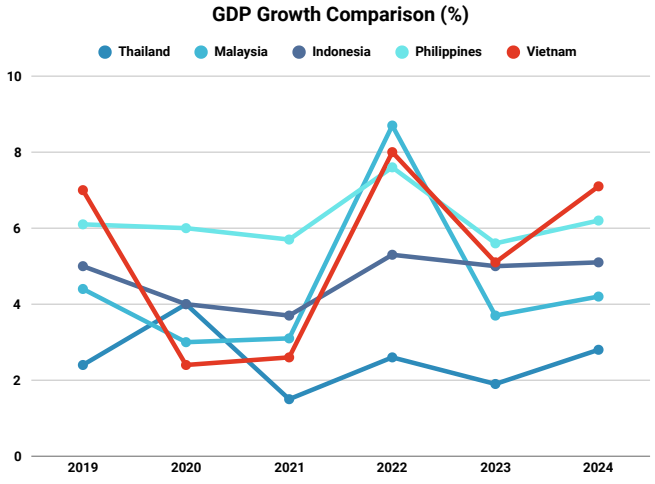
The 2024 economic performance reflects continued momentum despite global uncertainties, with GDP growth reaching approximately 5.6%. This growth was supported by strong export performance, with Vietnam maintaining a trade surplus of $30 billion, driven by robust demand for electronics, agricultural products, and textiles. Foreign direct investment inflows reached $38 billion, with notable concentrations in semiconductors, renewable energy, and logistics infrastructure. Urbanization has accelerated, with over 42% of the population now residing in urban areas, creating substantial demand for housing, infrastructure, and consumer goods while supporting the transition toward a more service-oriented economy.



Source: Reuters, 2025



Source: Vietnam Briefing, 2025



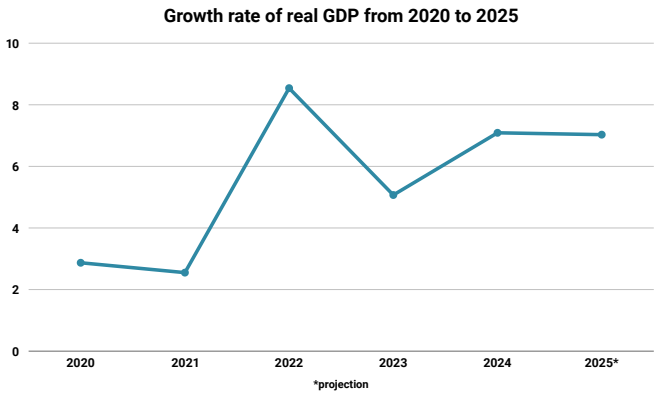
Source: IMF, 2025

Vietnam's Economic Outlook

Vietnam's GDP Growth

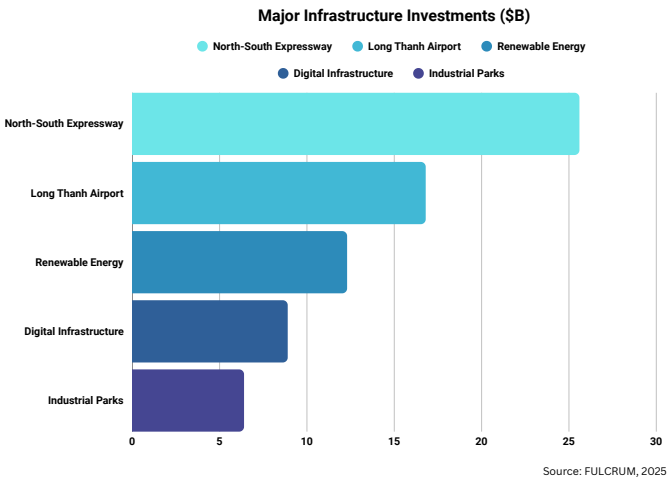
Projections

Vietnam's economic outlook for 2025 and beyond remains highly optimistic, supported by robust domestic demand, strategic export diversification, and sustained foreign investment momentum. The National Assembly has established an ambitious growth target of 6.5-7%, with Prime Minister Pham Minh Chinh advocating for an even more aggressive target of 8% expansion through accelerated public expenditure and infrastructure investment. While the 8% target appears ambitious given current fiscal constraints, Vietnam's strong economic fundamentals and strategic positioning suggest significant growth potential.



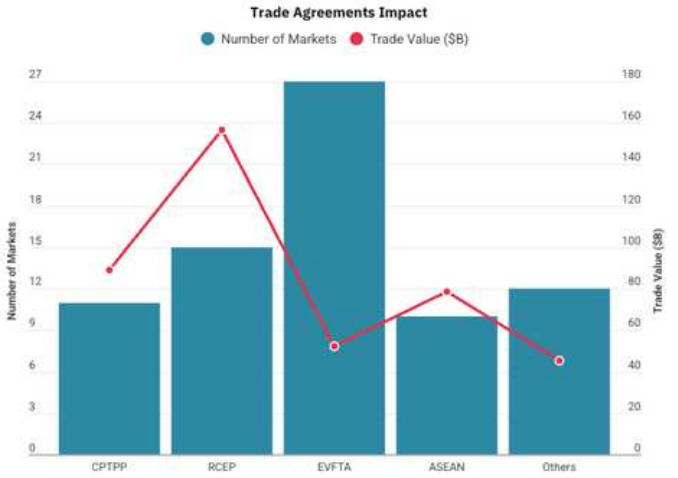
Source: OECD, 2025

The foundation for sustained growth rests on several transformative initiatives that will reshape Vietnam's economic landscape. Infrastructure development represents a cornerstone of the growth strategy, with massive public and private investments in critical projects including the North-South Expressway expansion, Long Thanh International Airport development, and comprehensive renewable energy infrastructure. These investments will enhance connectivity, reduce logistics costs, and improve overall business competitiveness while creating substantial employment opportunities across multiple sectors.



Source: FULCRUM, 2025

Trade liberalization and market access expansion will provide additional growth momentum through Vietnam's comprehensive network of 16 Free Trade Agreements, including CPTPP, RCEP, and EVFTA. These agreements provide unprecedented access to global markets while enabling Vietnamese firms to integrate more deeply into global supply chains, particularly in electronics, textiles, and agricultural exports. The government is simultaneously expanding trade relations with emerging markets including India, the Middle East, and South America, reducing dependency on traditional markets and diversifying economic partnerships.



Source: World Bank, 2025

Sustainability and green growth initiatives represent a fundamental shift in Vietnam's economic model, with the country committing to achieve net-zero emissions by 2050. This transition involves substantial investments in renewable energy infrastructure, with wind and solar power accounting for an increasing share of electricity generation. The Vietnam 2030 Strategy includes comprehensive initiatives to enhance energy efficiency, develop green supply chains, and promote ESG standards to attract environmentally conscious global investors. These green growth initiatives not only address climate commitments but also position Vietnam advantageously in the global transition toward sustainable economic models.

Digital transformation emerges as a critical growth catalyst, underpinned by the National Digital Strategy 2030. This comprehensive framework aims to boost productivity across finance, e-commerce, and smart manufacturing sectors while positioning Vietnam as a regional digital hub. The strategy encompasses financial inclusion initiatives, e-government services expansion, and the development of a robust digital payments ecosystem. These digital advances are expected to drive significant productivity gains while creating new economic opportunities in emerging technology sectors.

Vietnam's Economic Outlook

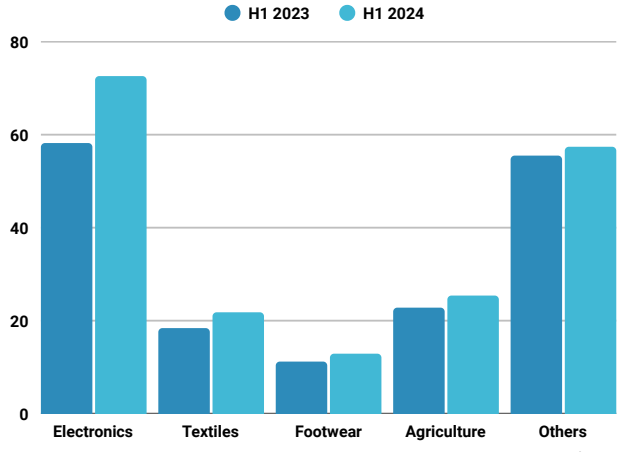
Vietnam's GDP Growth

Key Drivers

Vietnam's economic growth trajectory is sustained by five fundamental drivers that collectively create a robust foundation for continued expansion: exceptional export performance, strategic foreign direct investment attraction, proactive government policy support, accelerated renewable energy transition, and maintained macroeconomic stability. These interconnected drivers form a comprehensive growth ecosystem that positions Vietnam advantageously in the global economy.

Export performance remains the primary engine of Vietnam's economic success, with total exports reaching $190.08 billion in the first half of 2024, representing robust 14.5% growth compared to the same period in 2023. The export structure demonstrates Vietnam's integration into global value chains, with the FDI sector contributing $136.69 billion (71.9% of total exports) while the domestic sector added $53.39 billion (28.1%). This performance reflects Vietnam's strategic positioning as a preferred manufacturing hub for global brands including Samsung, Apple, and Nike, benefiting from the "China Plus One" diversification strategy. The country's ability to maintain a trade surplus for eight consecutive years underscores its resilience and competitiveness in global supply chains despite external economic uncertainties.

Key Export Performance H1 2024 vs H1 2023 ($B)



Source: Vietnam Briefing, 2024

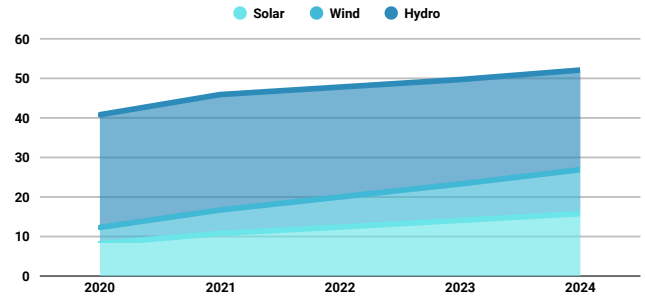
Foreign direct investment continues to flow into Vietnam at unprecedented levels, reaching $25.35 billion in 2024, marking a 9.4% increase from 2023. This growth is driven by strategic investments in high-tech manufacturing, renewable energy, and financial services, particularly from the European Union, Japan, South Korea, and the United States. Vietnam's competitive advantages including strategic location, competitive labor costs, and improving business climate have established it as an attractive alternative to China for companies seeking supply chain diversification. The government's investment-friendly policies, including corporate tax incentives, streamlined business licensing, and infrastructure development, have reinforced investor confidence and attracted increasingly sophisticated investments.

Government policy support has been instrumental in sustaining economic momentum through comprehensive monetary and fiscal measures. The State Bank of Vietnam has maintained a pro-growth monetary policy with favorable interest rates to encourage investment and consumption. Credit growth reached 9% by Q3 2024, with a full-year target of 15%, providing businesses with enhanced access to capital. Public infrastructure investments in transportation networks, industrial parks, and digital connectivity have improved business conditions while making Vietnam more competitive globally. The government's prioritization of digital transformation, financial inclusion, and targeted fiscal policies, including corporate tax reductions and infrastructure investment programs, has further strengthened economic resilience.

The renewable energy transition represents a transformative driver of Vietnam's economic outlook, with the country targeting 16% solar energy in its power mix by 2030. This ambitious goal has positioned Vietnam as a leader in Southeast Asia's green energy transition, with substantial investments in solar, wind, and hydroelectric power driven by both domestic policies and international partnerships such as the Just Energy Transition Partnership (JETP). This transition reduces dependence on fossil fuels while enhancing Vietnam's attractiveness to sustainable investors prioritizing ESG compliance. The development of green industrial zones and carbon credit markets further supports Vietnam's commitment to climate-conscious growth, ensuring long-term competitiveness in global markets.

Macroeconomic stability and domestic market expansion have reinforced Vietnam's economic resilience through well-managed inflation at 3.88% in the first nine months of 2024, below the government's 4.5% target. This stability ensures maintained consumer purchasing power while supporting domestic demand growth. The rise of the middle class and accelerated urbanization has driven a 10.2% year-on-year increase in retail sales, benefiting sectors including e-commerce, real estate, and financial services. The rapid adoption of digital banking and fintech solutions has fueled economic diversification, establishing Vietnam as one of the fastest-growing digital economies in the region while creating new opportunities for innovation and entrepreneurship.

Renewable Energy Growth (% of Total)



Source: Statista, 2025

Vietnam's Economic Outlook

Vietnam's FDI Landscape

FDI Evolution & Historical Momentum

15,000+
FDI Projects by 2015

$250B
Total Registered Capital

5th
Global FDI Project Ranking

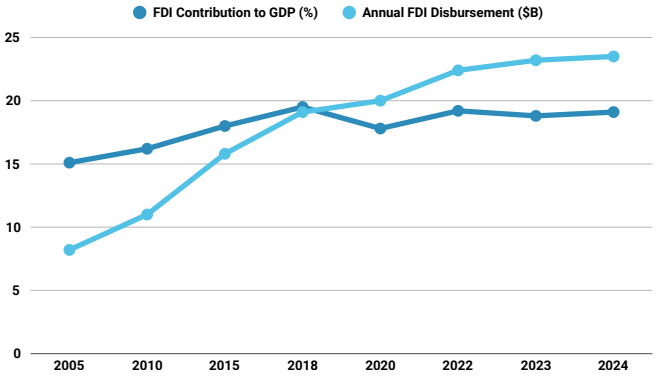
18%
FDI Contribution to GDP

Foreign Direct Investment (FDI) has been regarded as a crucial factor in driving economic growth in Vietnam, one of the fast-emerging countries in East Asia. The Vietnamese economy began to develop after the Economic Reform of 1986, accelerated after the lifting of the trade embargo with the U.S. in 1993, and continued forward with its participation in the World Trade Organization (WTO) in 2007. During the 2000s, Vietnam's economy grew remarkably, averaging 7.25% annually. By 2015, Vietnam had accumulated more than 15,000 FDI projects with a total registered capital of USD 250 billion, ranking as the fifth-largest attractor of FDI globally in terms of project numbers, following China, India, Singapore, and Australia.

Vietnam also achieved the highest FDI performance index among emerging economies during 2014–2015, highlighting its ability to convert FDI inflows into tangible economic growth. FDI's impact on Vietnam's economy has been profound. Between 2005 and 2015, FDI's contribution to GDP rose steadily from 15.1% to 18%, driving significant advancements in industrial production, technology adoption, and export growth.

Between 2018 and 2023, Vietnam's FDI capital disbursement grew at a compound annual growth rate (CAGR) of 3.39%, reaching USD 23.2 billion in 2023, reflecting foreign investors' confidence in Vietnam's economic potential. Notably, in 2022, total registered FDI reached USD 27.72 billion, marking a 13.5% increase from the previous year, while actual FDI disbursement hit USD 22.4 billion, the highest level recorded at that time. This positive momentum carried into 2023, as the country granted investment certificates to 3,188 new projects, a 57% year-on-year increase, with total registered capital for new projects surging by 62% to USD 20.2 billion.

Vietnam FDI Contribution and Disbursement (2005–2024)



Source: MPI, 2025

1986
Doi Moi economic reforms launched

1993
U.S. lifted trade embargo on Vietnam

2007
Vietnam joined the World Trade Organization (WTO)

2015
- Over 15,000 FDI projects
- USD 250B total registered capital

2023
- FDI disbursement reached USD 23.2B
- Investor confidence remained strong

Vietnam's Economic Outlook

Vietnam's FDI Landscape

2024 FDI Overview: Disbursement & Trends

In 2024, Vietnam maintained its strong appeal as a preferred destination for foreign investors. By the end of the year, the total registered foreign investment, including new projects, additional capital, and share purchases, reached approximately $38.23 billion, reflecting a slight 3% decline compared to 2023. However, the disbursed capital, which indicates the actual implementation of FDI projects, continued its upward trend, hitting $25.35 billion, a 9.4% increase from the previous year. This steady rise in FDI disbursement underscores investors' confidence in Vietnam's economic potential despite global uncertainties.

Looking at the investment registration, Vietnam issued licenses for 3,375 new FDI projects, marking a 1.8% increase in project count from 2023, though the total registered capital for these projects declined by 7.6%, amounting to $19.7 billion. In contrast, capital adjustments for existing projects showed remarkable growth, with 1,539 projects increasing their investment, representing an 11.2% rise, and the total additional registered capital reaching $14 billion, a 50.4% surge. Meanwhile, foreign investors conducted 3,502 capital contributions and share purchases, but the total value of these transactions fell by 48.1% to $4.54 billion. This reflects a shift in FDI dynamics, with investors favoring reinvestment and expansion of existing operations over new acquisitions.

The FDI sector remained a key driver of Vietnam's trade performance. In 2024, foreign-invested enterprises contributed significantly to exports, with total exports (including crude oil) reaching $290.9 billion, a 12.3% increase from 2023. On the import side, the sector recorded $240.7 billion, up 15.1% year-on-year. This resulted in a $50.3 billion trade surplus for the FDI sector, which helped balance Vietnam's overall trade structure, especially as domestic enterprises recorded a trade deficit of $25.5 billion.

TOTAL INVESTMENT PERFORMANCE

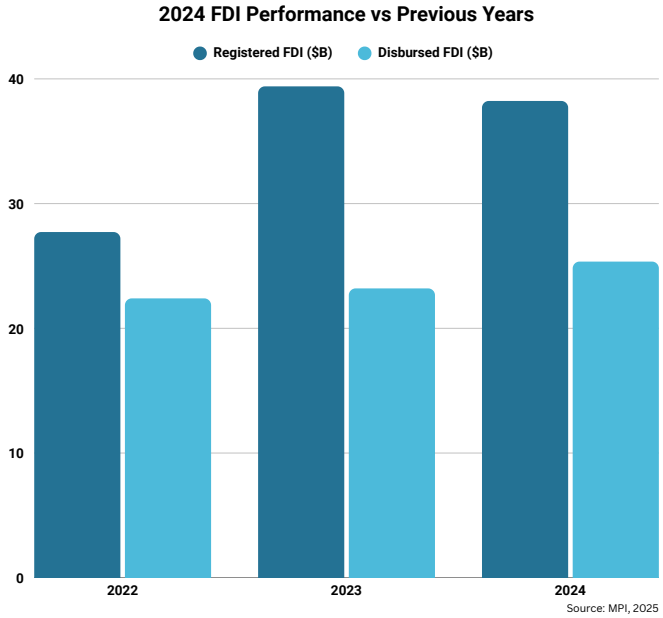
$38.23B
Total Registered FDI
- 3%

$25.35B
Disbursed Capital
+ 9%

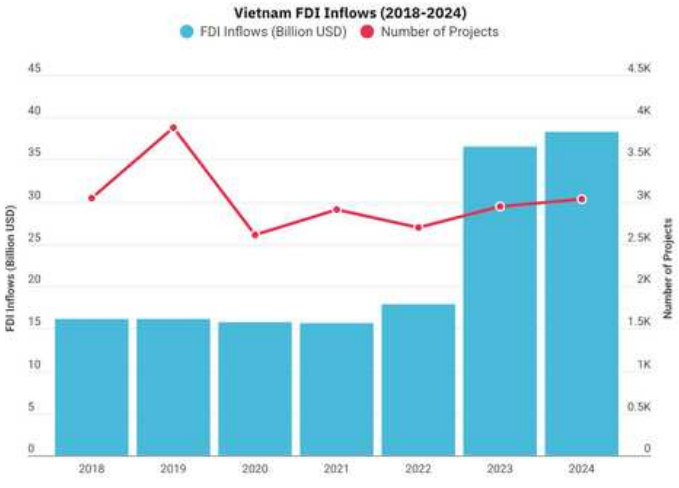
PROJECT DYNAMICS

3,375
New FDI Projects
+ 1.8%

1.539
Capital Adjustments
+ 11.2%



Source: MPI, 2025



Source: MPI, 2025

$290.9B
FDI Sector Export
+ 12.3%

$240.7B
FDI Sector Imports
+ 15.1%

$50.3B
FDI Trade Surplus Generated

TRADE PERFORMANCE IMPACT

Vietnam's Economic Outlook

Vietnam's FDI Landscape

FDI by Sector – Manufacturing, Real Estate, Energy, IT, etc

18/21
Economic Sectors Receiving FDI

114
Investor Countries/Territories

56
Provinces/Cities with FDI

In terms of industry distribution, foreign investment remained concentrated in key sectors, with 18 out of 21 economic sectors receiving capital in 2024. The manufacturing and processing sector continued to lead, attracting $25.58 billion, which accounted for 66.9% of total FDI, reflecting a 1.1% increase from the previous year. Within this sector, multinational corporations in electronics, including Samsung, Foxconn, and Intel, continued expanding their operations, reinforcing Vietnam's position as a global manufacturing hub.

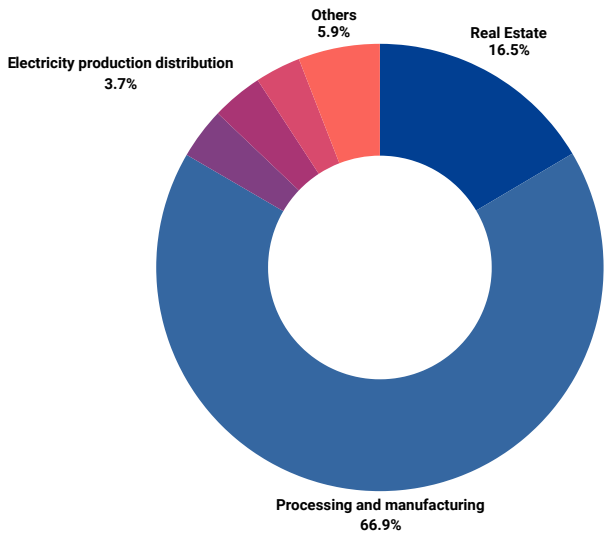
The real estate sector followed closely, with $6.31 billion in investments, marking an 18.8% rise, fueled by rapid urbanization and increasing demand for commercial and residential properties. Other industries also attracted substantial foreign capital, particularly electricity production and distribution ($1.42 billion) and wholesale and retail trade ($1.41 billion), as Vietnam's growing consumer market and energy demand made these sectors attractive to global investors.

As Vietnam continues to attract capital across a wide range of industries, the government has been shifting its FDI strategy to prioritize high-tech and sustainable investments over traditional low-cost manufacturing. This shift has led to increasing foreign interest in renewable energy, IT, and digital transformation. However, while Vietnam actively introduces tax incentives, reduced bureaucratic hurdles, and streamlined business registration procedures to attract FDI, certain regulatory restrictions still apply to specific digital sectors. The current FDI equity restrictions in Vietnam's digital economy, highlighting areas with full foreign ownership and sectors subject to limitations. These regulations reflect Vietnam's cautious approach to balancing foreign investment with national economic security and market stability. For example, while most digital sectors allow 100% foreign ownership, areas like telecom services and cryptocurrency remain more tightly regulated.

Sector	2024 FDI (USD)	Growth	Key player
Manufacturing	$25.58B	+1.1%	Samsung Foxcon
Real Estate	$6.31B	+18.8%	CapitalLand Keppel
Renewable Energy	$1.42B	+22%	AC Energy Trung Nam

Source: VCCI, 2025

FDI Distribution by Sector



Source: VCCI, 2025

Vietnam's FDI Landscape

FDI by Country – Singapore, South Korea, China, Japan, etc

Singapore Leadership
VSIP hosts 860+ companies, employs 300,000+ workers

South Korea Commitment
Samsung's $20B+ investment in Bac Ninh & Thai Nguyen

European Growth
EU-Vietnam FTA eliminating 99% tariffs drives expansion

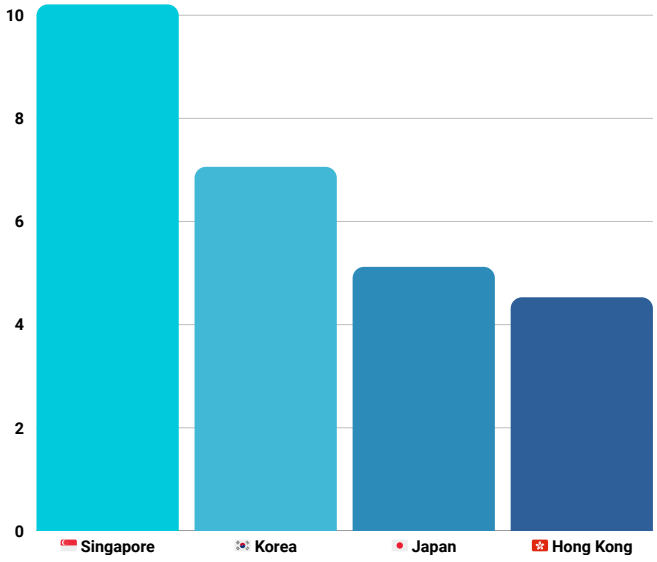
Vietnam attracted foreign investment from 114 countries and territories in 2024, reflecting its deepening integration into the global economy. Singapore ranked as the top investor, contributing $10.21 billion, which accounted for 26.7% of total FDI, marking a 31.4% increase from 2023. This growth was largely driven by investments in urban infrastructure, industrial parks, and financial services. The Vietnam-Singapore Industrial Park (VSIP) continues to be a key symbol of cooperation, housing over 860 companies and employing more than 300,000 workers (WTO center, 2024).

South Korea followed closely as the second-largest investor, with $7.06 billion, representing 18.5% of total FDI and growing by 37.5% compared to the previous year. South Korean firms, particularly Samsung, LG, and Hyundai, have solidified Vietnam as a key global production base. Samsung alone has invested over $20 billion, operating large-scale manufacturing facilities in Bac Ninh and Thai Nguyen. Additionally, South Korea led in adjusted capital (22.8%) and capital contributions and share purchases (25.2%), showcasing its continued commitment to expanding existing operations (Ministry of Planning and Investment, 2025).

Other major investors included China, Hong Kong, and Japan, each playing a distinct role in Vietnam's economic development. China led in new investment projects (28.3%), reinforcing its presence in manufacturing and infrastructure development. Hong Kong also remained a significant investor, committing $4.53 billion in 2024, primarily in real estate, logistics, and financial services, further strengthening its long-term presence in Vietnam's economy. Meanwhile, Japan's total investment reached $5.12 billion, focusing on infrastructure, energy, and the automotive industry. Companies such as Toyota, Honda, and Sumitomo have played key roles in Vietnam's industrialization and smart city projects, contributing to transportation networks, renewable energy initiatives, and high-tech industrial zones.

Beyond Asia, European investors have been increasingly active in high-tech manufacturing, renewable energy, and logistics, supported by the EU-Vietnam Free Trade Agreement (EVFTA). With 99% of tariffs between the EU and Vietnam eliminated, companies from Germany, France, and the Netherlands have expanded their operations, leveraging Vietnam as a key production and export hub. Vietnam's strong ties with major Asian economies reinforce its status as a leading regional manufacturing and business hub. The country's ability to attract capital from both traditional partners and emerging investors reflects its favorable investment climate and strategic position within global supply chains. The table below provides a detailed breakdown of foreign investment by partner countries.

Top investing countries in Vietnam in 2024



⚠ China: Led new projects (28.3%)

⚠ European Union (EU): No specific investment value was stated, but FDI from Germany, France, and the Netherlands surged, supported by the EU-Vietnam Free Trade Agreement (EVFTA).

Source: GSO, 2025

Vietnam's FDI Landscape

FDI by Region – Bac Ninh, Hai Phong, Ho Chi Minh City, etc.

In terms of FDI allocation by region, foreign investment was distributed across 56 provinces and cities in 2024. Bac Ninh led the country with total registered investment capital of nearly $5.12 billion, accounting for 13.4% of the total, more than 2.8 times the previous year. Hai Phong ranked second, attracting over $4.94 billion (12.9% of total FDI), reflecting a 42.4% increase from 2023.

Ho Chi Minh City followed in third place, with registered FDI exceeding $3.04 billion, representing nearly 8% of total investment, though this marked a 49.4% decline from 2023. Quang Ninh, Hanoi, and Binh Duong were also among the top FDI destinations. In terms of project count, Ho Chi Minh City led in all categories, accounting for 42% of new projects, 15.4% of capital adjustment cases, and 69% of capital contributions and share purchases.

No.	Locality	Total FDI (million USD)	Growth vs 2023 (%)
1	Bac Ninh	5.115,4	↑ 183,8%
2	Hai Phong	4.940,6	↑ 42,4%
3	Ho Chi Minh City	3.041,3	↓ 49,4%
4	Quang Ninh	2.871,5	↓ 10,2%
5	Ha Noi	2.161,2	↓ 26,7%
6	Binh Duong	1.949,0	↑ 19,6%
7	Dong Nai	1.879,9	↑ 8,6%
8	Nghe An	1.749,6	↑ 8,8%
9	Ba Ria - Vung Tau	1.712,2	↓ 11,6%
10	Hung Yen	1.596,0	↑ 55,9%
11	Other localities	11.209,6	↓ 20,1%
TOTAL		**38.226,2**	**↓ 3%**

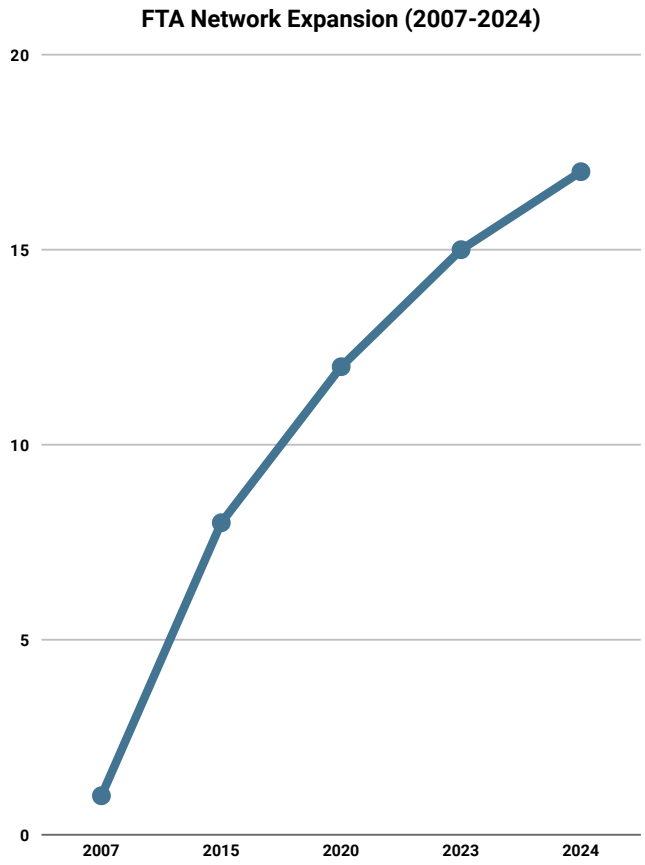
Source: GSO, 2025

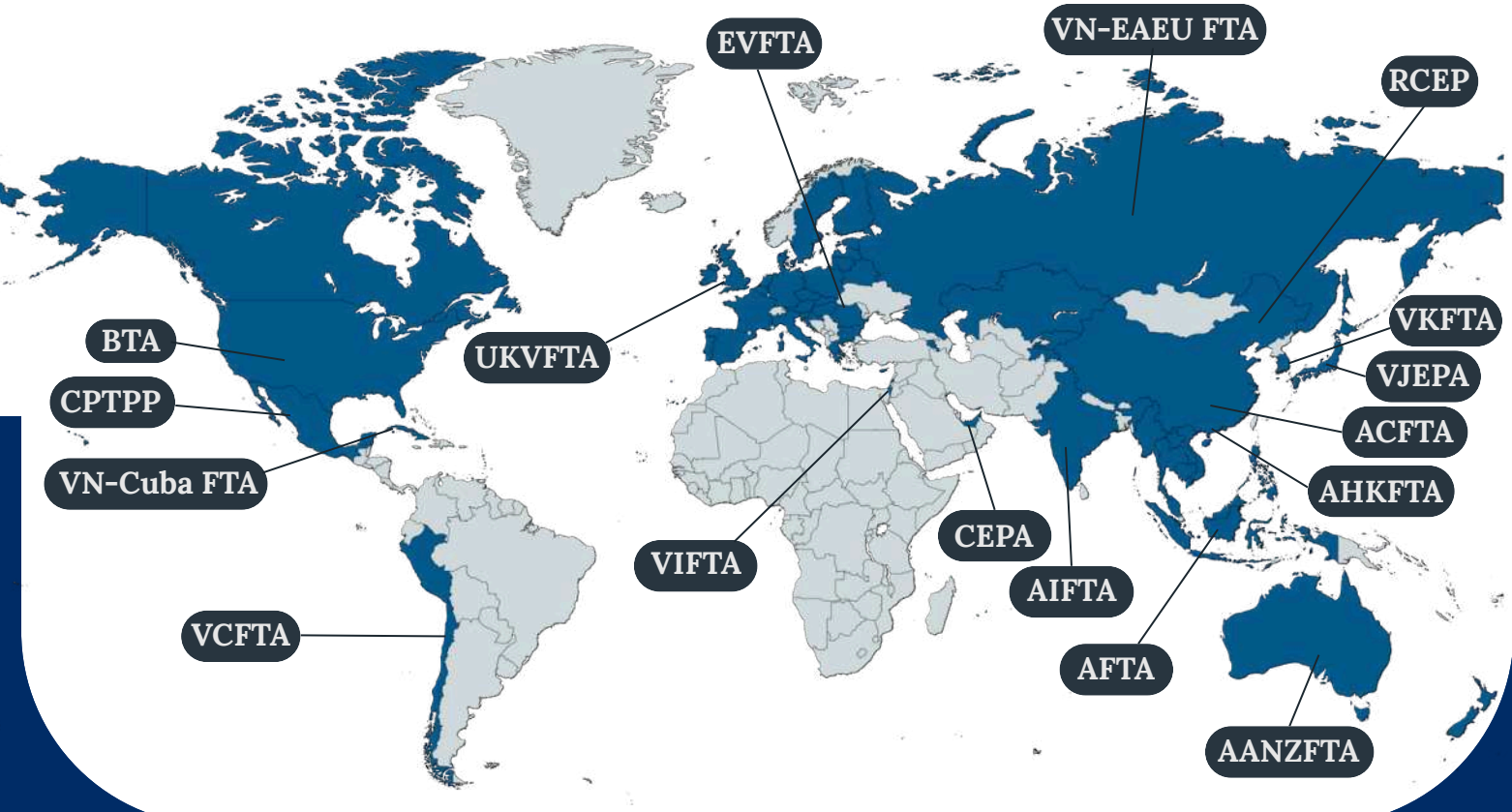
Vietnam's Economic Outlook

Vietnam's Trade Revolution

Vietnam's Trade Strategy & WTO Reforms

Vietnam's proactive approach to international economic integration has significantly enhanced its global trade standing, making it an attractive destination for investors. Since joining the World Trade Organization (WTO) in 2007, Vietnam has progressively reduced trade barriers and liberalized key service sectors such as distribution, transport, telecommunications, and finance. These reforms have created a dynamic economic environment, allowing foreign investors to tap into a rapidly expanding market with minimal trade restrictions and strong government support for business growth. Vietnam's commitment to trade liberalization is evident in its continuously expanding network of Free Trade Agreements (FTAs). As of May 2024, the country had signed 16 FTAs and was negotiating three more. By October 2024, this number had increased to 17 FTAs, with only two still under negotiation. This expansion underscores Vietnam's dedication to international economic integration and its efforts to create a favorable environment for investment. Major agreements such as the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), the EU-Vietnam Free Trade Agreement (EVFTA), and the Regional Comprehensive Economic Partnership (RCEP) provide lower tariffs, greater market access, and reduced regulatory barriers. These benefits are particularly crucial for investors looking to export goods to key markets such as Japan, Canada, and the EU. The EVFTA, in particular, strengthens Vietnam's trade ties with the EU while enforcing international standards in labor rights, environmental protection, and intellectual property, ensuring a transparent and stable business environment for foreign enterprises.





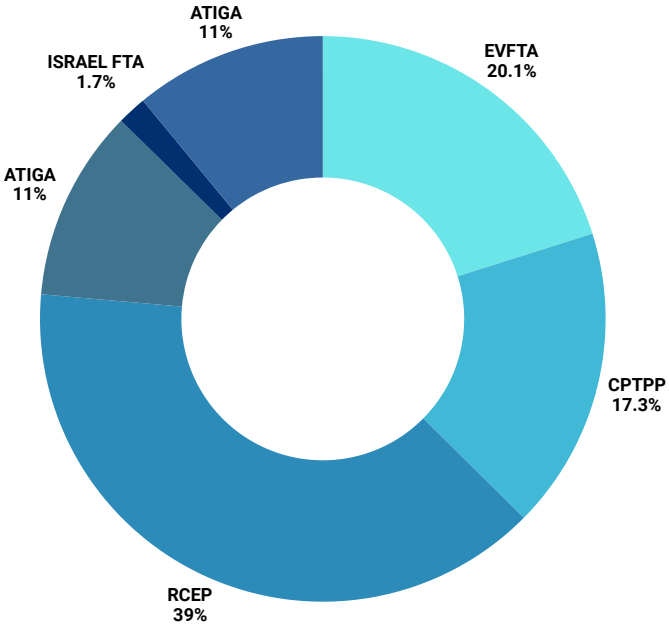
Source: InCorp

Vietnam's Economic Outlook

Vietnam's Trade Revolution

Benefits & Opportunities from Vietnam's FTAs

The recent signing of an additional FTA in October 2024 strengthens Vietnam's role in the global supply chain by expanding market access and fostering trade partnerships. Latest agreements such as the Vietnam-Israel FTA (VIFTA) and the Vietnam-UAE Comprehensive Economic Partnership Agreement (CEPA) lower tariffs on key exports like electronics, textiles, and agriculture while promoting technology transfer and foreign direct investment. These FTAs also enhance Vietnam's appeal as an investment destination by providing a stable regulatory environment and access to high-growth sectors. The UAE agreement opens pathways to the Middle East and North Africa (MENA) region, while the Israel FTA boosts collaboration in innovation and high-tech industries. As Vietnam continues to broaden its trade network, these agreements play a crucial role in driving economic growth, fostering technological advancement, and strengthening the country's long-term investment landscape.



Source: WTO, 2025

Beyond bilateral and multilateral FTAs, Vietnam's active participation in regional trade agreements within ASEAN further strengthens its attractiveness to investors. The ASEAN Trade in Goods Agreement (ATIGA) and the ASEAN Trade in Services Agreement (ATISA) has been pivotal. ATIGA has effectively reduced tariffs on intra-ASEAN trade to zero for almost all tariff lines, providing investors with seamless access to a market of over 600 million consumers. This is particularly beneficial for businesses in industries such as manufacturing, agriculture, and consumer goods. Meanwhile, ATISA liberalizes trade in services, making it easier for foreign companies to operate and expand their businesses within Vietnam and the broader ASEAN region. These agreements ensure that investors benefit from cost efficiencies, streamlined logistics, and easier market entry within Southeast Asia.

FTA / Agreement Block	Market Impact (% share)*	Key Notes
RCEP	~35%	Includes China, Japan, South Korea, ASEAN; covers major supply chains
EVFTA	~20%	Access to EU markets; boosts exports in industrial goods & agriculture
CPTPP	~15%	Includes Canada, Japan, Australia; high standards, market liberalization
VIFTA & CEPA (new FTAs)	~10%	Israel & UAE; open access to MENA and promote tech-based cooperation
ASEAN (ATIGA + ATISA)	~20%	600M+ consumers; zero tariffs intra-ASEAN, liberalized services

*Percentages reflect the relative trade and investment impact of each agreement, not the total number of FTAs signed by Vietnam

Source: MOIT, 2025

Vietnam's Economic Outlook

Vietnam's Trade Revolution

Export Growth & Global Supply Chain Integration

14.3%
Export Growth Rate

$405.5B
Total Exports 2024

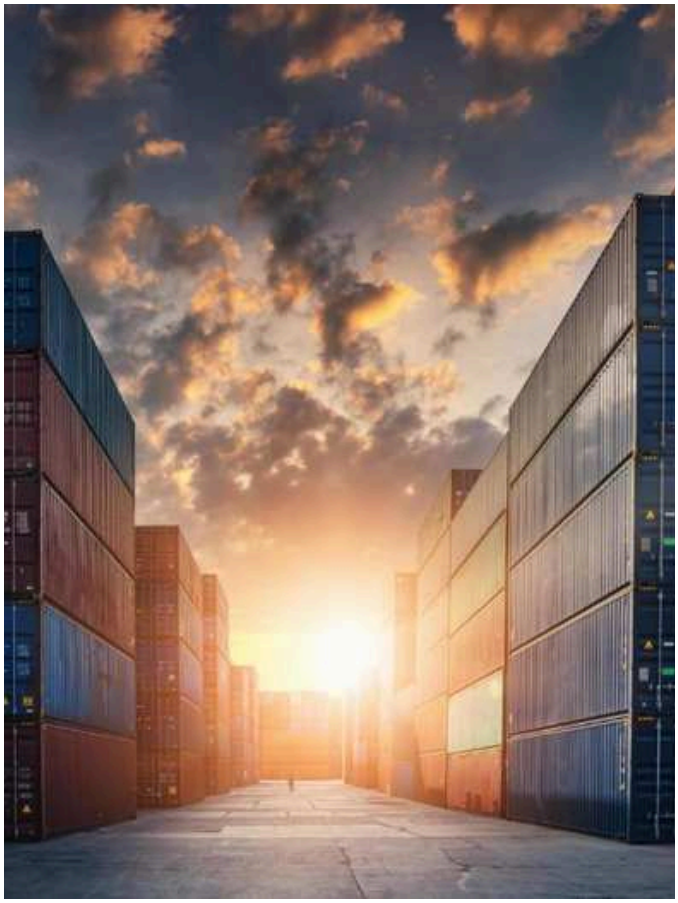
$24.7B
Trade Surplus 2024

One of the most strategic impacts of these FTAs is Vietnam's transition from low-tech, labor-intensive manufacturing to high-tech, value-added industries. Vietnam is no longer just a destination for textile or footwear production; it is emerging as a hub for electronics, machinery, automotive, and medical device manufacturing. FTAs facilitate this shift by diversifying sourcing partners and reducing costs.

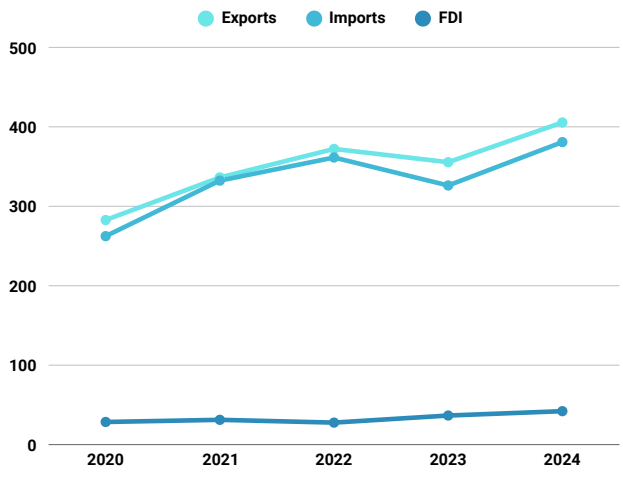
Agreements like the RCEP and EVFTA allow Vietnam to access cheaper intermediate goods from international suppliers, enhancing its export competitiveness. Lower tariffs also make Vietnam a prime location for multinational corporations (MNCs) to establish production bases and re-export to key markets such as the EU and the US.

The U.S. remained Vietnam's largest export market with US$119.6 billion, while China was the largest supplier of goods to Vietnam with US$144.3 billion. These figures underscore the significance of Vietnam's trade agreements, such as the EVFTA and CPTPP, in facilitating exports to high-value markets like the U.S. and the EU, while agreements like RCEP enhance Vietnam's access to key suppliers, particularly China and South Korea.

This dynamic reinforces Vietnam's role as a global manufacturing hub, leveraging cost-efficient supply chains and diversified trade partnerships.

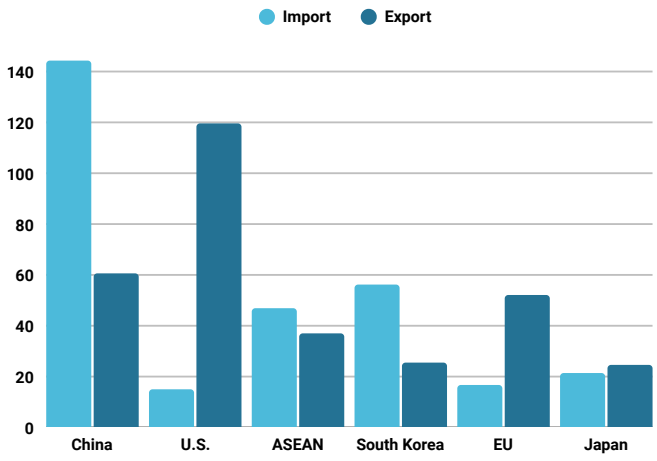


Trade Performance (Billion USD)



Source: Vietnam Customs, 2025

Largest Trading Partners of Vietnam in 2024 ($B)



Source: Source of Asia, 2025

Vietnam's Economic Outlook

Vietnam's Trade Revolution

FTAs Empower Vietnam's Industrial Upgrade

Beyond reducing costs, FTAs encourage technology and knowledge transfer through foreign partnerships, enabling local enterprises to acquire advanced manufacturing technologies. These collaborations highlight how Vietnamese firms can leverage foreign direct investment (FDI) to move up the global value chain. For investors, this presents an opportunity to capitalize on Vietnam's emerging high-tech industries, particularly in automotive, renewable energy, and electronics manufacturing.

Vietnam's trade agreements also bring institutional and regulatory improvements, making it a safer and more sustainable investment destination. Both the CPTPP and EVFTA require Vietnam to comply with International Labor Organization (ILO) standards, ensuring better labor protections, workplace conditions, and environmental sustainability. This shift benefits investors by reducing risks related to labor disputes and regulatory non-compliance, ensuring higher production standards, and enhancing Vietnam's reputation as a responsible global manufacturing hub, attracting ethical and sustainable investments.

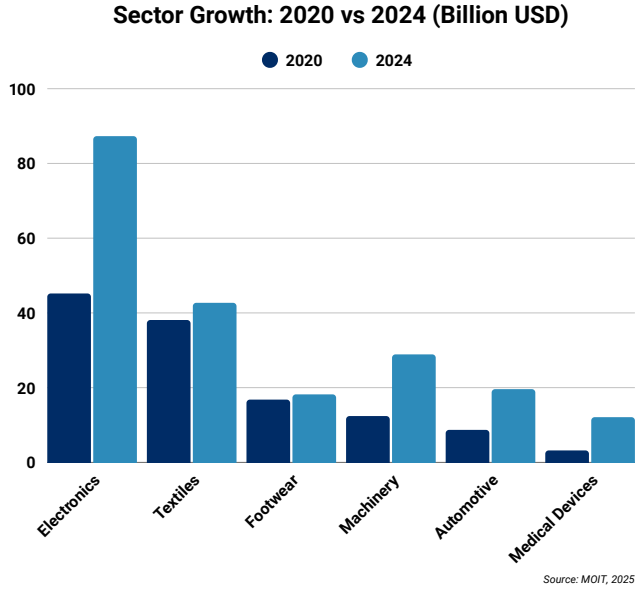
$42.1B
FDI inflows 2024
(+15% YoY)

$23.5B
Manufacturing
FDI (56% of total)

Vietnam's strategic trade policies have resulted in a consistent trade surplus and increasing foreign direct investment inflows. In 2023, total registered FDI reached $36.61 billion, a 32.1% increase from the previous year, with manufacturing attracting $23.5 billion, solidifying Vietnam's position as a global production hub.

For investors, this means lower operational costs due to preferential tariffs and cost-effective supply chains, stronger supply chain integration within ASEAN, RCEP, and major trade blocs, access to a growing consumer base of over 100 million people in Vietnam and 600 million within ASEAN, and supportive government policies offering tax incentives, streamlined licensing, and infrastructure development to facilitate foreign investments.

By leveraging its vast network of FTAs, strategic trade partnerships, and investment-friendly environment, Vietnam is well-positioned to remain a top-tier global trading hub. Moving forward, investors can expect sustained growth in high-tech manufacturing, green energy, and advanced logistics, ensuring long-term profitability and economic resilience in an increasingly interconnected global market.



Vietnam Investment Annual Report

INVESTMENT LANDSCAPE

Investment Landscape

INVESTMENT CLIMATE

Political and Economic Stability

Vietnam is a socialist republic operating under the leadership of the Communist Party of Vietnam (CPV). The CPV plays a central role in shaping the country's political landscape, with a National Congress held every five years to establish the nation's key orientations, strategies, and policies. This congress adopts decisions on socio-economic development solutions, ensuring a clear path for the country's future growth. The CPV is the sole political party in the country, controlling all political organizations and maintaining a one-party system. This political structure is fundamental to Vietnam's governance and provides a unified direction for its development.

One of the most notable aspects of Vietnam is its political stability, which has been a key factor in the country's attractiveness to investors. For several decades, Vietnam has not faced significant political crises or instability, which allows for the consistent implementation of economic policies and strategies (Vietnam trade promotion agency, 2020). The political environment is characterized by a strong, centralized government that ensures the smooth continuity of national policies, which in turn supports a stable and secure atmosphere for investment (Tran, 2021). Additionally, this stability enables the country to focus on its long-term economic goals, particularly its aim of sustained economic growth.

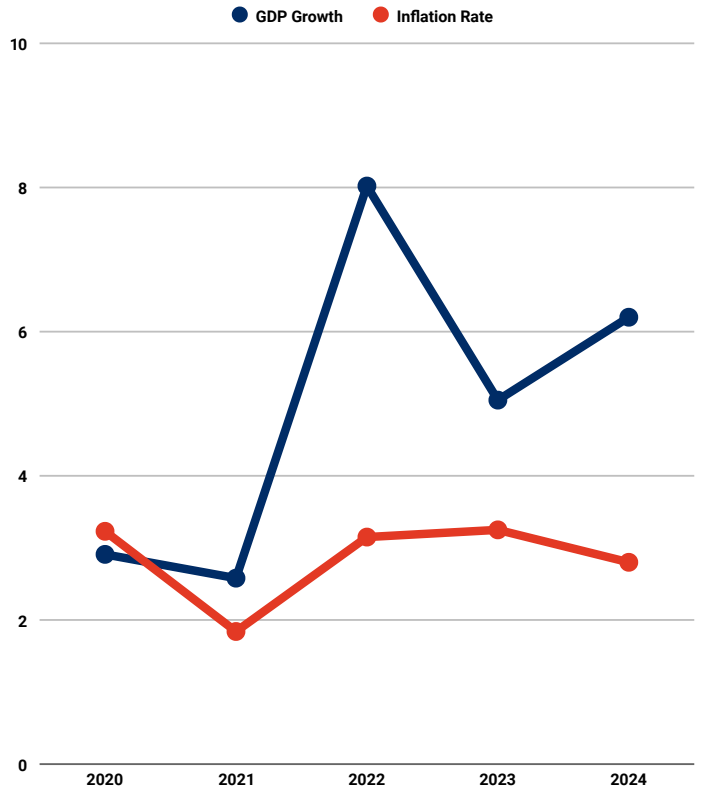
The combination of a controlled political environment and a focus on economic development has allowed Vietnam to maintain robust growth, particularly in recent years. The government's steady approach to economic reforms, combined with its commitment to political stability, has made Vietnam one of the most politically stable and attractive investment destinations in Southeast Asia.

2.91%
GDP Growth 2020

3.25%
Average Inflation Rate

80+
Countries with DTAAs

Vietnam Economic Indicators (2020-2024)



Source: GSO, 2025

Investment Landscape

INVESTMENT CLIMATE

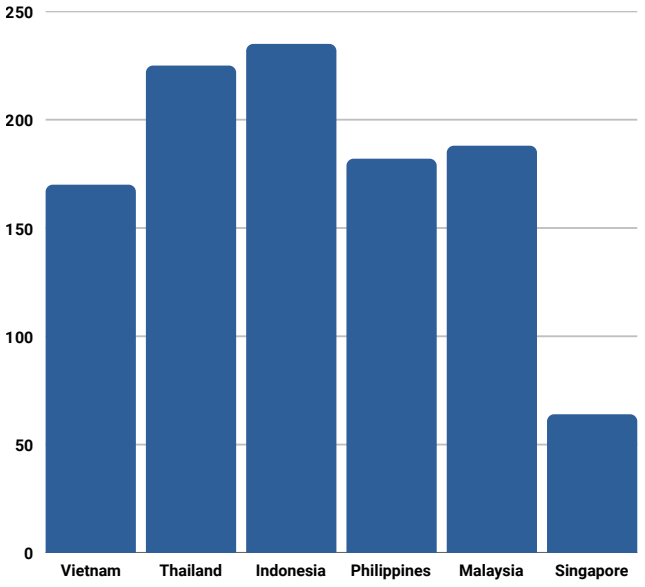
Ease of Doing Business in Vietnam

Vietnam has made significant strides in improving its business environment, making it easier for foreign investors to establish and expand their operations. The government has implemented various reforms to simplify administrative procedures, enhance transparency, and create a more investor-friendly ecosystem. One of the most notable improvements is the streamlined process for obtaining the Investment Registration Certificate (IRC) and Enterprise Registration Certificate (ERC). These reforms have significantly reduced the time required for business registration, particularly in sectors that do not fall under conditional business lines.

Additionally, the adoption of digital transformation in administrative processes, such as online business registration and electronic tax filing, has minimized bureaucratic obstacles, improving efficiency and transparency. The introduction of electronic tax filing has helped reduce the average time required for tax compliance to below 170 hours per year, making Vietnam more competitive compared to other regional economies.

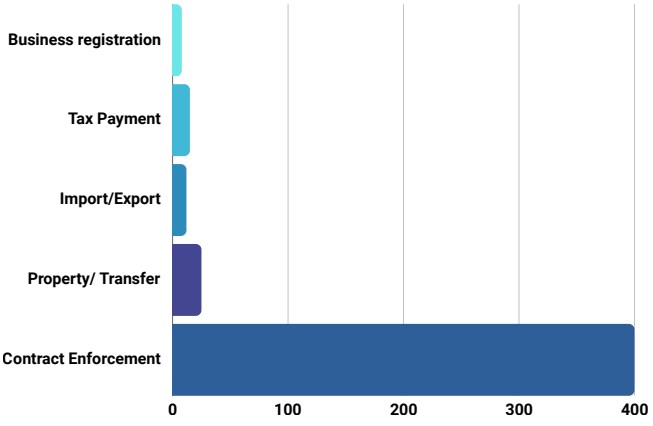
Legal reforms have also played a crucial role in facilitating business operations. The amendments to the Law on Enterprises (2020) and the Law on Investment (2020) have provided clearer guidelines for foreign investors, ensuring a stable and predictable regulatory framework. Vietnam continues to refine its legal system through additional guidance and implementation measures, reinforcing investor confidence in the long-term business climate.

Time Required for Tax Compliance



Source: PwC, 2024

Business Process Duration (Days)



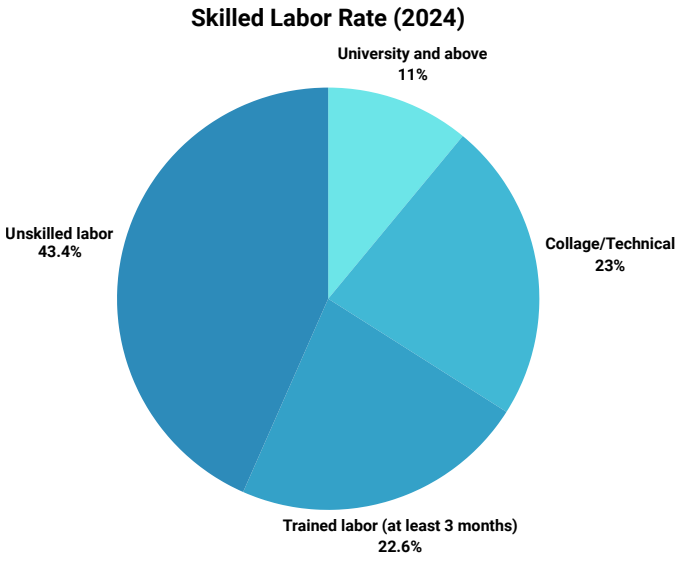
Source: World Bank, 2024

Investment Landscape

INVESTMENT CLIMATE

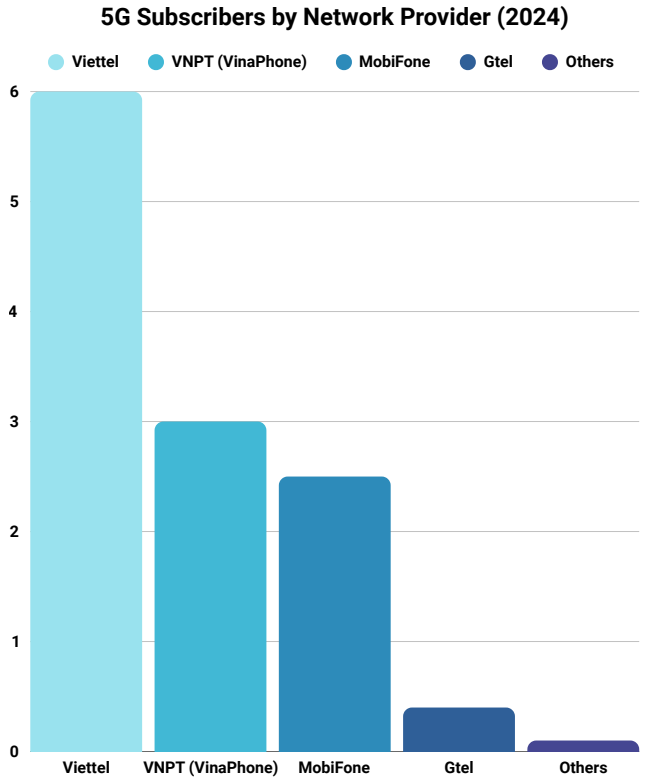
Ease of Doing Business in Vietnam (Cont.)

Another factor that enhances Vietnam's appeal as an investment destination is its competitive labor market. With a workforce of approximately 56 million people, over 70% of whom are in the working-age group, Vietnam offers an abundant supply of skilled labor at relatively low costs. Major cities like Hanoi and Ho Chi Minh City are home to well-established educational institutions that provide high-quality training, particularly in technology, engineering, and business-related fields The government has also prioritized investment in STEM (Science, Technology, Engineering, and Mathematics) education to meet the growing demand for skilled professionals in emerging industries such as digital technology, manufacturing, and automation.

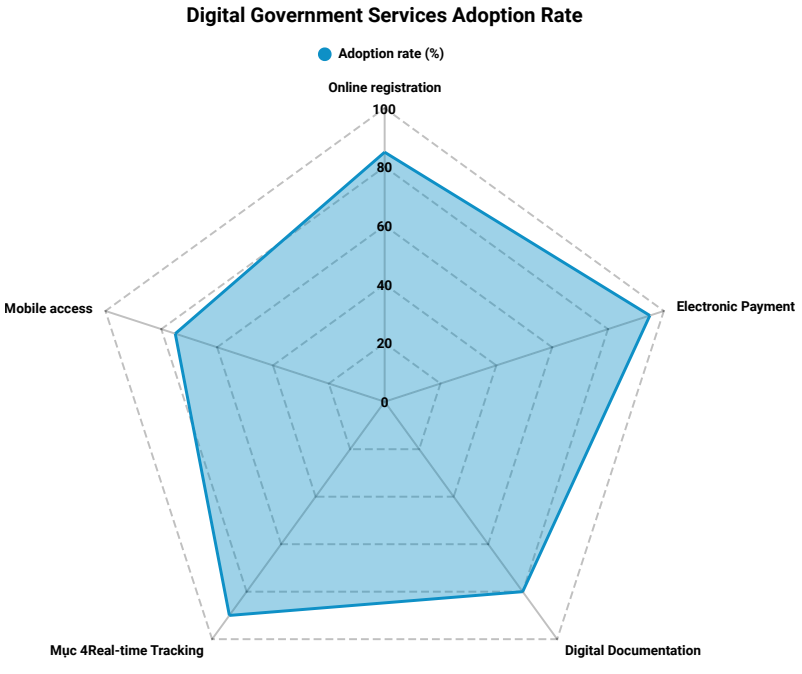


Source: ILO, 2024

Vietnam's ongoing infrastructure development further supports its attractiveness as a business hub. The expansion of key transport networks, including the North-South Expressway, Long Thanh International Airport, and major seaport upgrades, is expected to significantly enhance logistics efficiency. These improvements will help reduce transportation costs for businesses and improve connectivity between major industrial zones and international markets. The rapid advancement of Vietnam's digital infrastructure, including the nationwide rollout of 5G networks and the establishment of large-scale data centers, is also contributing to a more business-friendly environment, particularly for companies operating in technology-driven sectors.



Source: Bao Chinh Phu, 2024



Source: Statista, 2024

Investment Landscape

INVESTMENT CLIMATE

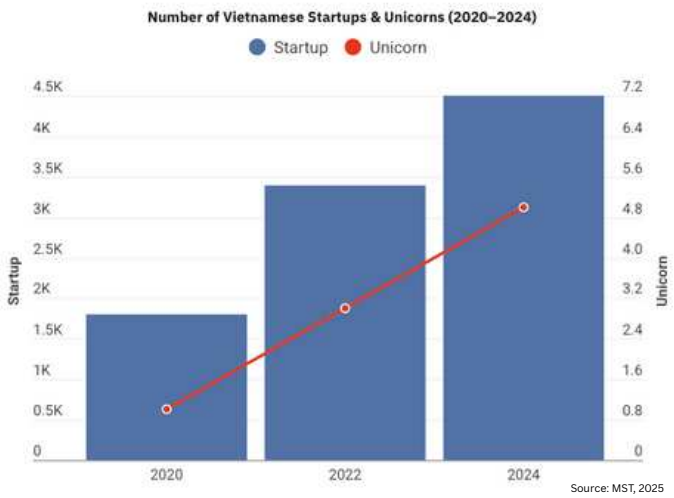
Ease of Doing Business in Vietnam (Cont.)

In addition to its domestic business reforms, Vietnam's deep integration into the global economy further strengthens its appeal to investors. The country has signed over 17 free trade agreements (FTAs), including major agreements with the European Union (EVFTA), the United Kingdom (UKVFTA), Japan, South Korea, and the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP). These agreements provide Vietnamese businesses and foreign investors with preferential trade conditions, reduced tariffs, and expanded market access. By leveraging its strategic trade partnerships, Vietnam has solidified its position as a key manufacturing and export hub in the region.

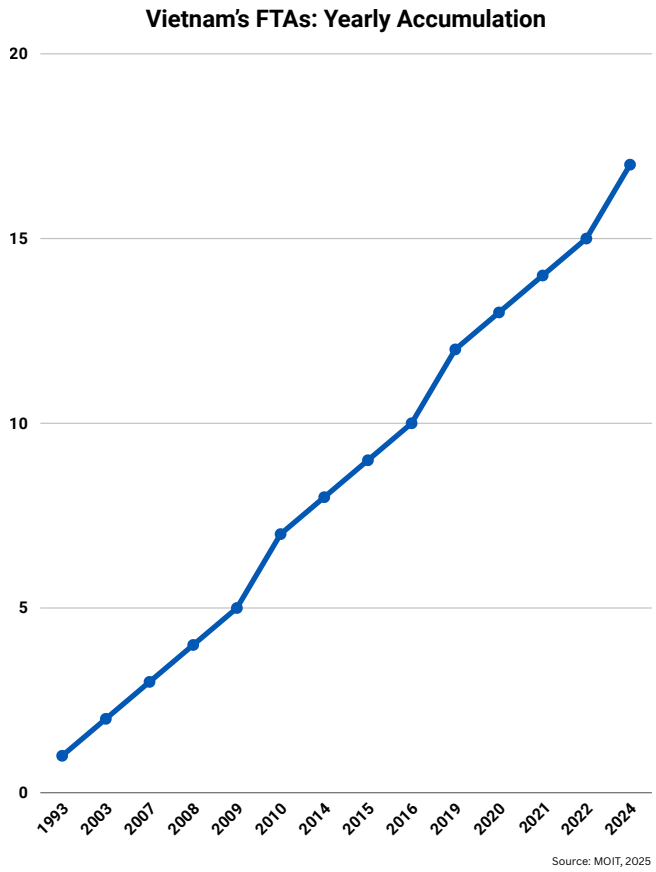
Another notable aspect of Vietnam's investment climate is its thriving startup ecosystem, which has gained significant momentum in recent years. As of 2024, Vietnam has at least five unicorn startups (companies valued at over $1 billion), spanning sectors such as e-commerce, fintech, and technology services (Le, 2024). Government-backed initiatives, including startup accelerators, tax incentives, and venture capital funds, have further fueled innovation and entrepreneurship.

The emergence of technology hubs in Ho Chi Minh City, Hanoi, and Da Nang has attracted substantial foreign investment into artificial intelligence (AI), blockchain, and fintech, reinforcing Vietnam's position as a rising technology hub in Southeast Asia.

Through continuous regulatory improvements, workforce development, infrastructure investments, and international trade integration, Vietnam has cemented itself as one of the most attractive destinations for foreign investment in the region. The country's commitment to long-term economic growth, coupled with its stable and supportive business environment, provides a strong foundation for investors seeking to expand in Southeast Asia.



Source: MST, 2025



Source: MOIT, 2025

Investment Landscape

INVESTMENT CLIMATE

Infrastructure Development and Connectivity

150M+
Mobile Connections

74.8%
HCMC Highways & Bridges

418
Industrial Parks

*Top Public Infrastructure Investments (2021–2024)

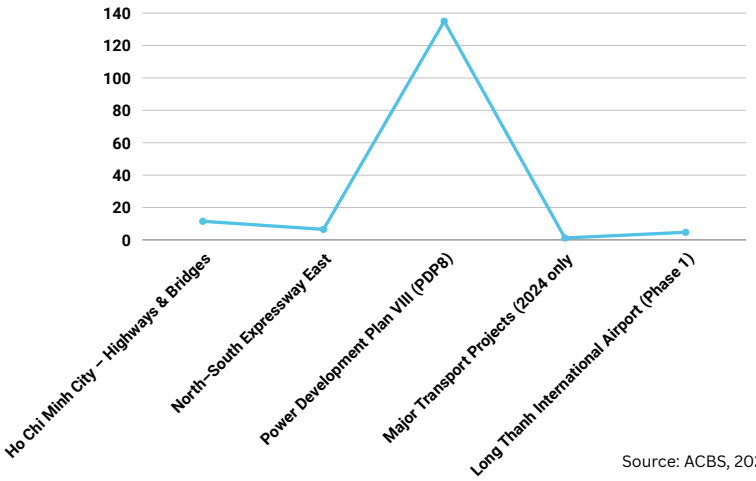
Vietnam has made significant strides in infrastructure development and connectivity, reinforcing its position as an attractive destination for foreign direct investment (FDI). As of the first quarter of 2024, the country has established 418 industrial parks across 61 out of 63 provinces and cities, including four export processing zones. This extensive network offers tax incentives, ready infrastructure, and logistical advantages, thereby reducing operational costs for investors.

In terms of transport infrastructure, Vietnam is set to commence 13 major projects in 2024, with a total investment of $1.2 billion. These projects encompass the construction of highways, bridges, metro lines, airports, seaports, logistics centers, and both municipal and national rail systems. Notably, Ho Chi Minh City plans to invest $11.5 billion in highway and bridge projects between 2021 and 2025, underscoring the government's commitment to enhancing connectivity.

Vietnam's strategic location in Southeast Asia positions it as a vital hub for international trade. The country's proximity to major shipping routes and integration into the Trans-Asia railway network enhance its connectivity, facilitating efficient movement of goods and services. This strategic advantage is further bolstered by ongoing collaborations with neighboring countries to improve cross-border infrastructure. The government's focus on sustainable development is evident in its energy strategy. The Eighth National Power Development Plan (PDP8), approved in April 2024, emphasizes renewable energy projects to meet the growing demand and attract green investments. This initiative reflects Vietnam's commitment to sustainability and positions it as a leader in the transition to clean energy.

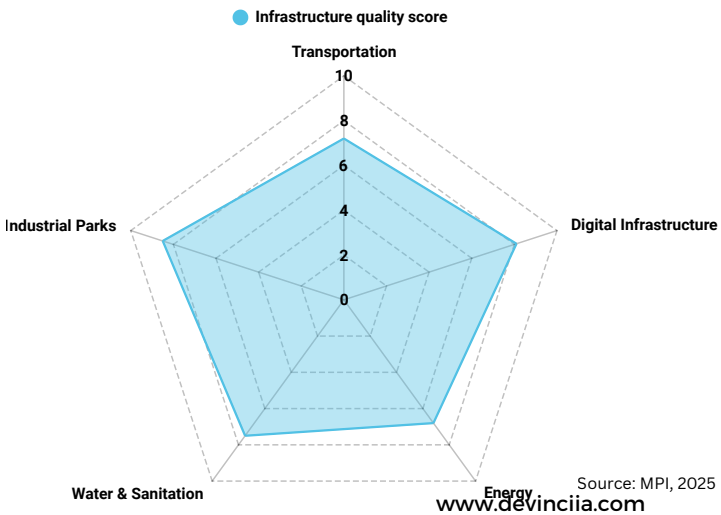
Furthermore, Vietnam is rapidly advancing its digital infrastructure, essential for the nation's digital transformation. The expansion of mobile broadband, particularly the introduction of 5G networks, is enhancing connectivity across urban and rural areas, enabling faster and more reliable services. These improvements facilitate remote services in education, healthcare, and business, contributing to greater inclusivity.

Infrastructure Investment by Sector (2021–2024)



Source: ACBS, 2025

Infrastructure Development Index (1-10)



Source: MPI, 2025

Investment Landscape

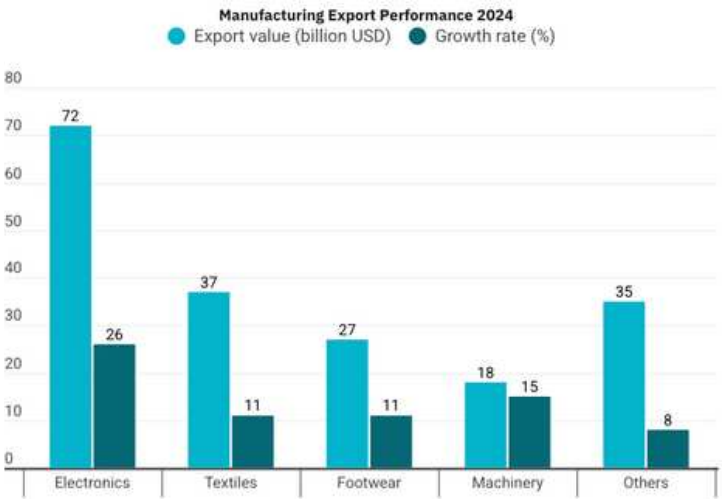
KEY SECTORS FOR INVESTMENT

Manufacturing and Export Industries

ELECTRONICS, TEXTILES, AND FOOTWEAR

Vietnam has solidified its position as a leading global manufacturing hub, attracting significant foreign direct investment (FDI) due to its strategic location, competitive labor market, and strong government support. The country has become an essential link in global supply chains, particularly for industries such as electronics, textiles, and footwear.

The footwear sector also experienced significant growth, with exports valued at $27.04 billion in 2024, representing a 11.45% increase from the previous year. This growth is driven by investments from global brands seeking efficient production bases in Vietnam. The government's favorable policies, including tax incentives and infrastructure development in key industrial zones, have further bolstered the industry's expansion.



Source: GSO, 2025

In 2024, Vietnam's exports of electronics, computers, and related components reached an estimated $72.6 billion, marking a 26.6% increase from the previous year. This substantial growth is largely attributed to the expansion of multinational corporations like Samsung, Intel, and Foxconn, which have established significant production facilities across the country. For instance, Samsung Display Co. announced an additional investment of $1.8 billion in its factory in Bac Ninh province to produce OLED displays for automobiles and tech equipment. This investment brings Samsung's total in the province to $8.3 billion. Similarly, Foxconn's subsidiary, Shunsin, plans to invest $80 million in northern Vietnam for integrated circuit production, further bolstering the electronics manufacturing sector.

The textile and garment industry remains a cornerstone of Vietnam's economy. In 2024, the sector recorded export revenues of approximately $37 billion, reflecting an 11.2% rise compared to 2023. Vietnam's extensive network of free trade agreements (FTAs), including the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) and the EU-Vietnam Free Trade Agreement (EVFTA), has provided manufacturers with preferential access to key international markets, enhancing the competitiveness of Vietnamese textiles globally.

Investment Landscape

KEY SECTORS FOR INVESTMENT

Manufacturing and Export Industries

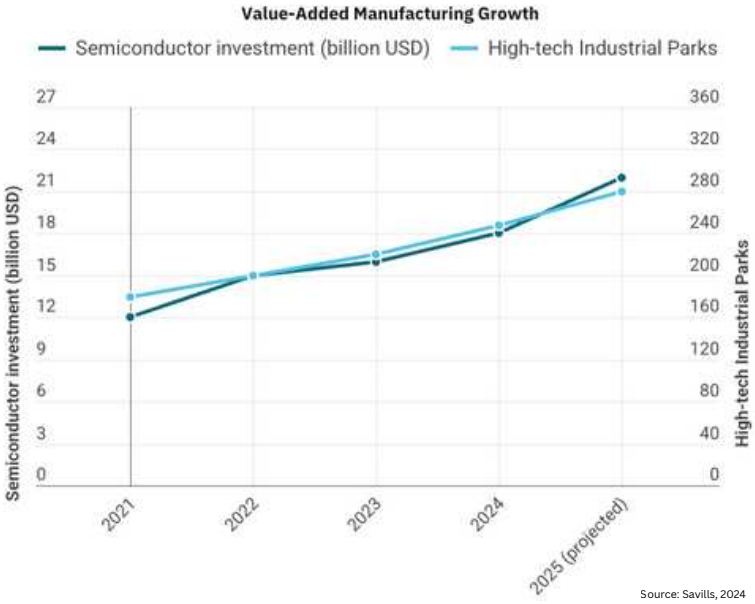
OPPORTUNITIES IN VALUE-ADDED MANUFACTURING

Vietnam is actively transitioning towards high-value, technologically advanced manufacturing, presenting significant opportunities for investors in value-added sectors. The government's commitment to fostering industrial automation, smart manufacturing, and research and development (R&D) is evident through updated criteria for high-tech investments, effective from December 23, 2024, aimed at attracting advanced technological projects.

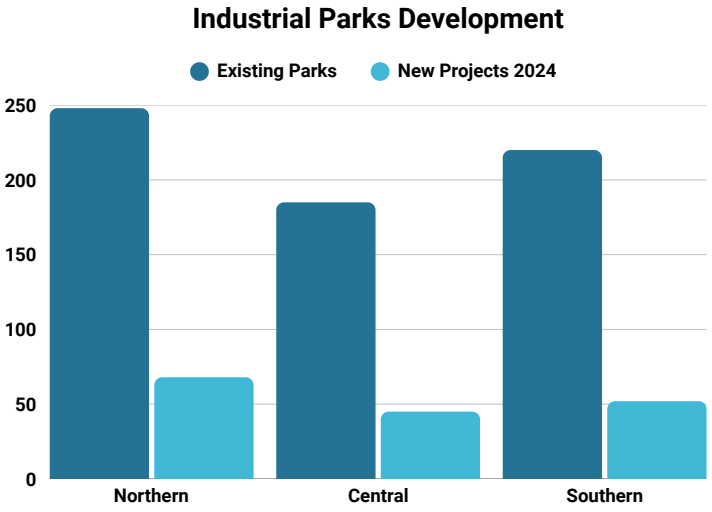
The development of industrial parks and economic zones has been pivotal in strengthening Vietnam's manufacturing ecosystem. As of 2024, Northern Vietnam alone hosts 248 industrial parks, with 68 new projects initiated, attracting substantial foreign direct investment (FDI). These zones offer tax incentives, advanced infrastructure, and logistical advantages, making them attractive to companies seeking to establish sophisticated production lines.

The semiconductor industry exemplifies Vietnam's shift towards value-added manufacturing. In 2024, the country attracted approximately US$18.23 billion in semiconductor investments, marking an 11.5% year-on-year increase. This growth underscores Vietnam's pivotal role in strengthening the digital economy and advancing cutting-edge technology.

Recent high-profile investments further highlight this trend. Notably, a joint venture between ST Telemedia Global Data Centres and VNG Corporation aims to develop and operate data center projects in Ho Chi Minh City, enhancing the country's digital infrastructure. Additionally, major U.S. companies, including Boeing, Apple, and General Electric, participated in a significant business mission to Vietnam in March 2025, reflecting strong confidence in Vietnam's economy and its potential as a manufacturing hub.



Source: Savills, 2024



Source: MPI, 2025

Investment Landscape

KEY SECTORS FOR INVESTMENT

Agriculture and Agribusiness

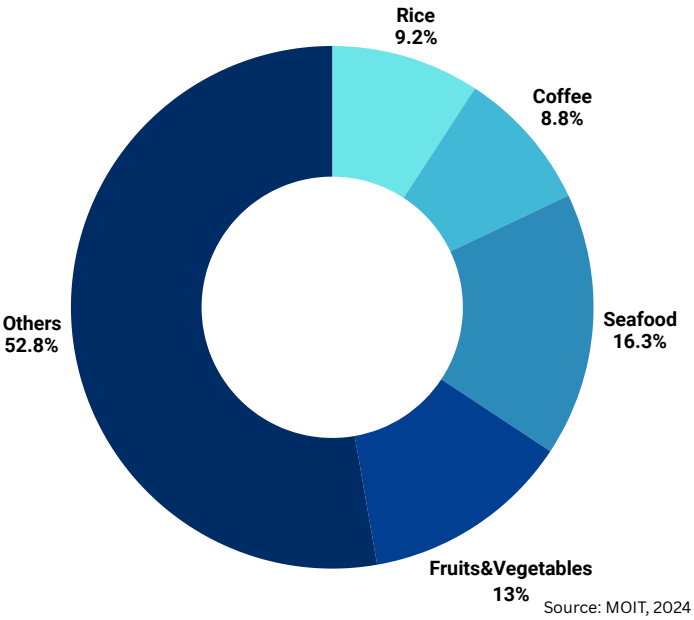
HIGH-VALUE CROPS AND AGRI-TECH SOLUTIONS

Agriculture continues to be a fundamental pillar of Vietnam's economy, employing a substantial portion of the workforce and significantly contributing to export revenues. In 2024, the sector achieved a record export turnover of approximately $62.5 billion, marking an 18.5% increase from the previous year (VNHAM, 2024). Key exports included:

- Rice: $5.75 billion
- Coffee: $5.48 billion

reinforcing Vietnam's position as a leading global exporter of these commodities. To meet the increasing global demand for high-quality agricultural products, Vietnam has focused on modernizing its agribusiness sector through the adoption of agri-tech solutions. The government has introduced supportive policies to foster high-tech agriculture, enhancing productivity and competitiveness. Investment in high-tech agriculture is supported by incentives like tax reductions and flexible loan options. Eligible investors enjoy a reduced corporate income tax rate of 10% for 15 years, and projects under Decree 57/2018/ND-CP can benefit from land rent exemptions for up to 15 years.

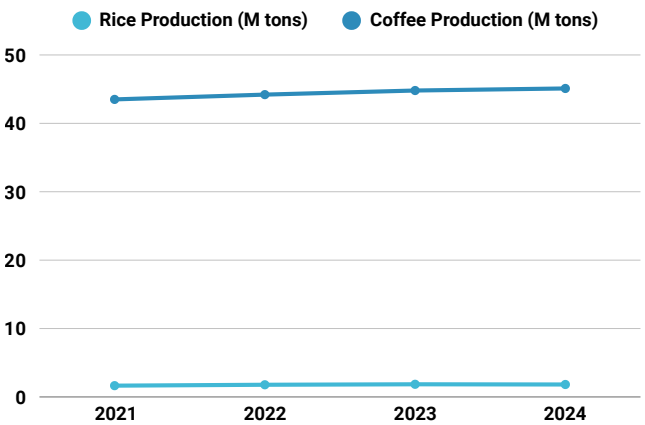
Agriculture Export Composition 2024 (Billion USD)



Source: MOIT, 2024

These initiatives have led to the adoption of precision farming, smart irrigation, and automated harvesting, improving productivity and sustainability in the sector. The ultimate goal is to promote science-based approaches in the application and commercialization of cutting-edge technological products, aligning with the objectives of fostering sustainable agriculture, curbing emissions, and enhancing climate change adaptation in Vietnam. Government initiatives, such as subsidies for modern farming equipment and training programs for farmers, have helped increase efficiency and reduce reliance on traditional agricultural practices. These efforts are part of a broader strategy to enhance the resilience and sustainability of Vietnam's agriculture in the face of climate change and global market fluctuations.

Vietnam's Key Agricultural Products Output Growth



Source: MARD, 2024

Investment Landscape

KEY SECTORS FOR INVESTMENT

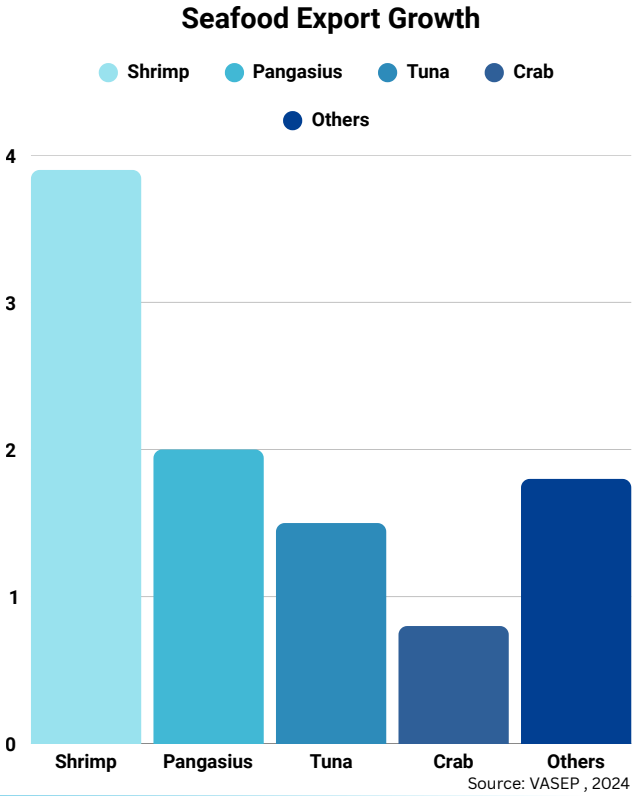
Agriculture and Agribusiness

EXPORT OPPORTUNITIES IN FOOD PRODUCTS

Vietnam's engagement in comprehensive free trade agreements (FTAs), notably the European Union-Vietnam Free Trade Agreement (EVFTA) and the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), has significantly expanded its export markets for agricultural products. These agreements have facilitated preferential tariff access, enhancing the competitiveness of Vietnamese goods in international markets. For instance, under the EVFTA, Vietnam has strengthened its system for protecting geographical indications (GIs), ensuring that technical regulations and standards do not create unnecessary obstacles to trade.

The demand for organic and sustainably produced goods is on the rise, prompting increased investment in food processing and packaging facilities to meet international quality standards. Vietnam's seafood industry, particularly shrimp and pangasius fish, has experienced robust export growth. In 2024:

- Seafood exports: over $10 billion
- Shrimp exports: nearly $3.9 billion (+15%)
- Pangasius exports: $2 billion (+9%)



Source: VASEP , 2024

$10B+

Seafood Exports 2024

These advancements are supported by improvements in aquaculture techniques and adherence to stringent food safety standards, enabling Vietnamese seafood products to gain a stronger foothold in global markets. The implementation of FTAs has not only diversified Vietnam's export destinations but also enhanced the value and quality of its agricultural exports, aligning with global trends toward sustainability and high-quality food products.

Investment Landscape

KEY SECTORS FOR INVESTMENT

Real Estate and Construction

RESIDENTIAL, COMMERCIAL, AND INDUSTRIAL REAL ESTATE

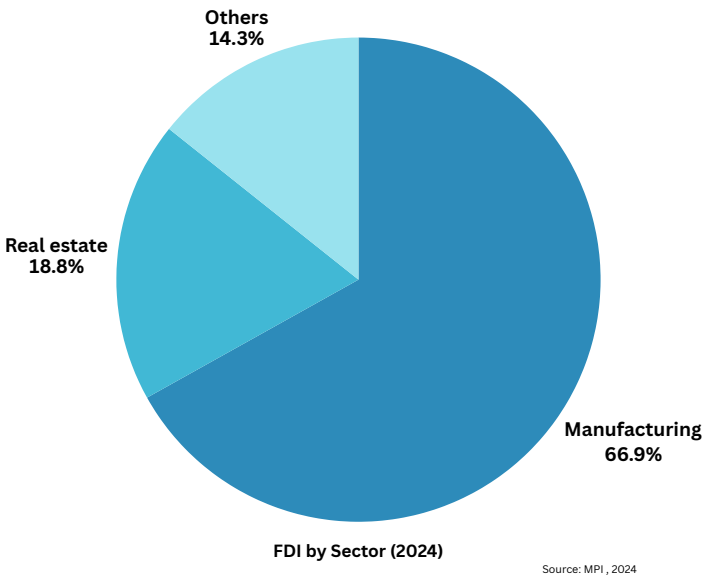
Vietnam's rapid urbanization and strong economic growth have driven expansion in the real estate and construction sectors. In 2024, foreign direct investment (FDI) in the real estate sector reached approximately $3.72 billion, accounting for 18.8% of the total FDI, second only to the manufacturing sector.

This substantial influx of foreign capital underscores the sector's attractiveness to international investors. Major cities such as Ho Chi Minh City, Hanoi, and Da Nang have seen substantial growth in residential and commercial property developments. In the first quarter of 2024, Hanoi's villa and townhouse market saw a remarkable 189% quarter-on-quarter increase in sales, with 185 units sold, indicating a strong demand in the residential sector.

The industrial real estate sector is also thriving, driven by heightened demand for warehouses, logistics hubs, and manufacturing facilities in key economic zones. This growth is supported by a 7% year-on-year increase in FDI, bolstering the industrial real estate market.

These developments reflect Vietnam's dynamic real estate landscape, characterized by increased foreign investment and a growing middle class, contributing to sustained growth across residential, commercial, and industrial segments.

Source: Savills , 2024



Source: MPI , 2024

Investment Landscape

KEY SECTORS FOR INVESTMENT

Real Estate and Construction

TRENDS IN SMART CITIES AND SUSTAINABLE CONSTRUCTION

Vietnam is actively implementing smart city initiatives, integrating digital infrastructure, sustainable energy solutions, and green building materials to meet the demands of rapid urbanization while addressing environmental concerns.

According to JLL Vietnam (2024), as of Q1 2024, nearly 430 green-certified building projects have been completed, with projections to reach 582 by 2030.

Major cities such as Ho Chi Minh City and Hanoi are leading this transformation with investments in:

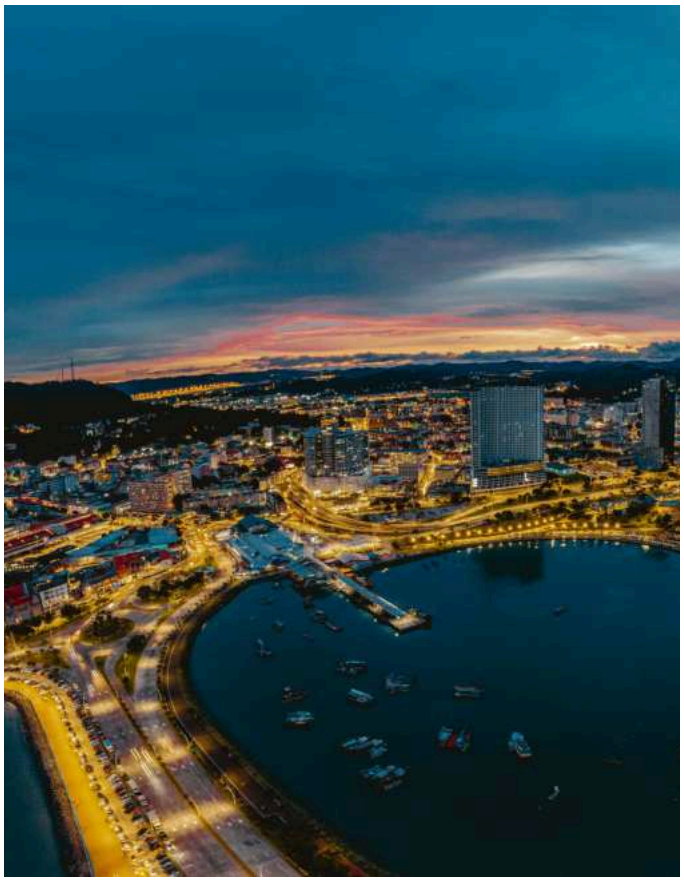
- Public transportation
- Green spaces
- Energy-efficient building designs

Government policies aim to reduce greenhouse gas emissions by 9%–27% by 2030 and achieve net-zero emissions by 2050, driving the adoption of eco-friendly construction practices.

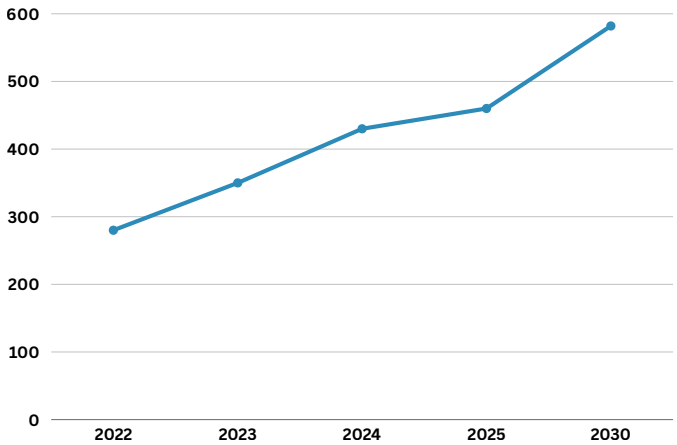
The construction sector is witnessing increased demand for green buildings, particularly in commercial and high-end residential developments. Developers are incorporating:

- Energy-efficient systems
- Water-saving technologies
- Sustainable materials

These solutions help meet environmental standards and enhance market competitiveness.

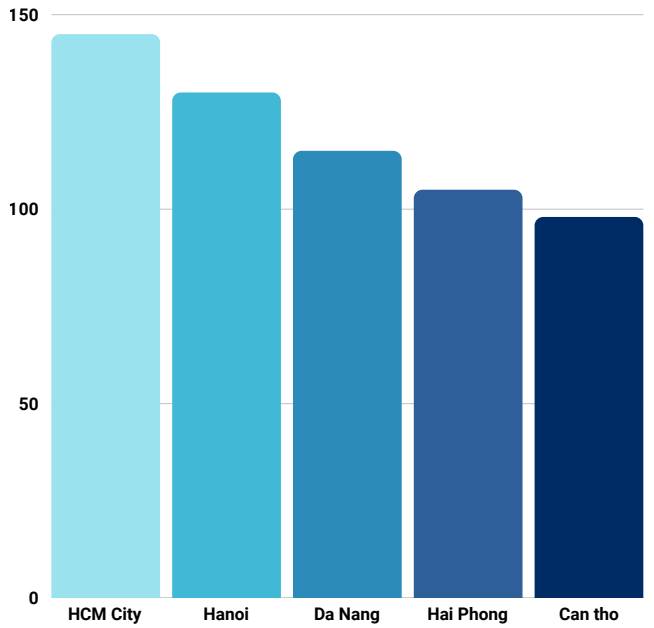


Green Buildings Growth Projection



Source: IFC, 2025

Major Cities Property Price Index



Source: Savills, 2024

Investment Landscape

KEY SECTORS FOR INVESTMENT

Technology and Innovation

ICT, STARTUPS, AND FINTECH

Vietnam's digital economy is one of the fastest-growing in Southeast Asia, supported by a thriving startup ecosystem and strong government backing. With a young and tech-savvy population, the country is increasingly recognized as a regional hub for innovation and digital transformation.

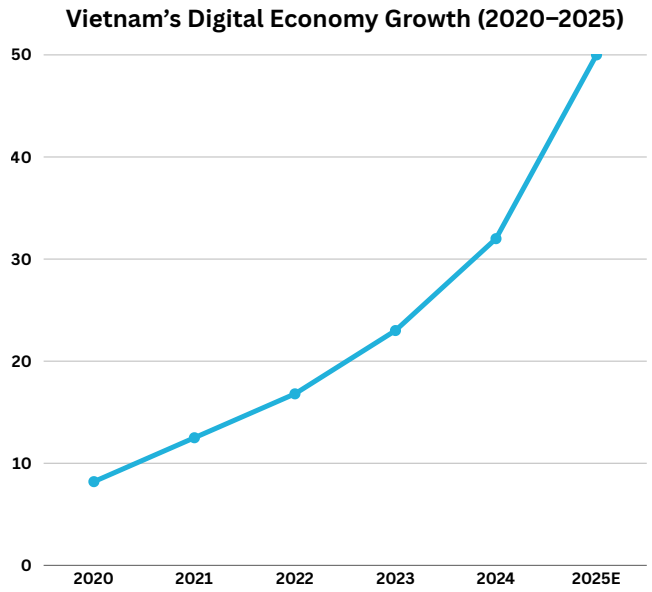
According to Phan (2024), Vietnam's digital economy grew by 28% annually from 2020 to 2023, reaching a value of US$23 billion, with projections to hit US$50 billion by 2025.

The ICT sector is expanding rapidly, with internet penetration at 74.8% and mobile adoption surpassing 150 million connections by 2023.

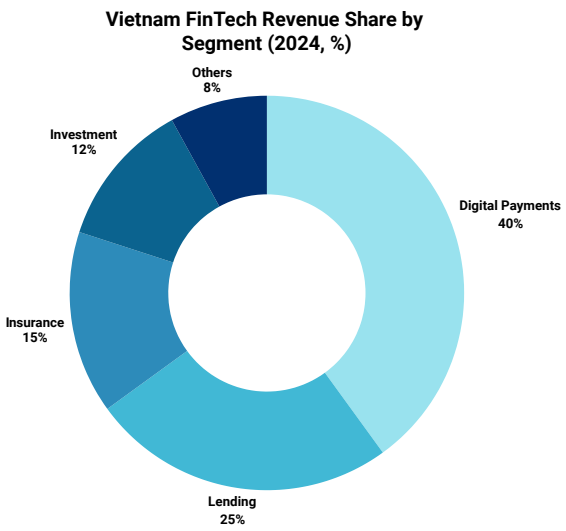
Startups in e-commerce, fintech, and artificial intelligence (AI) attracted over US$1.4 billion in venture capital funding in 2023 alone.
Notably:

- MoMo secured US$200 million in Series E funding
- VNPay achieved a valuation of over US$1 billion

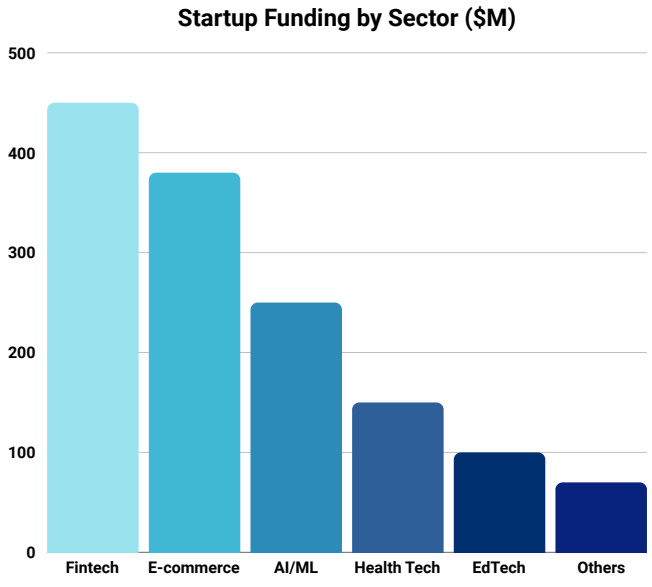
The government has launched several initiatives to support startups, including 40+ incubators, funding programs like the National Innovation Center (NIC), and regulatory sandboxes for fintech innovation, positioning Vietnam as a key player in Southeast Asia's digital transformation landscape.



Source: Do Ventures, 2024



Source: Statista, 2024



Source: Statista, 2024

Investment Landscape

KEY SECTORS FOR INVESTMENT

Technology and Innovation

GOVERNMENT SUPPORT FOR DIGITAL TRANSFORMATION

The Vietnamese government has implemented various funding programs and tax incentives to accelerate digital transformation and technological innovation. According to the Government Portal (2025), the Action Program under Resolution No. 03/NQ-CP emphasizes breakthroughs in science, technology, innovation, and digital transformation. This program offers:

- Tax incentives.
- Financial support for investments in laboratories, research centers, and key technological sectors such as semiconductors and artificial intelligence (AI).

Additionally, Decree No. 80/2021/ND-CP provides support for small and medium-sized enterprises (SMEs), covering:

- Up to 50% of digital transformation consultancy costs.
- Financial assistance for leasing or purchasing digital solutions to automate business processes.

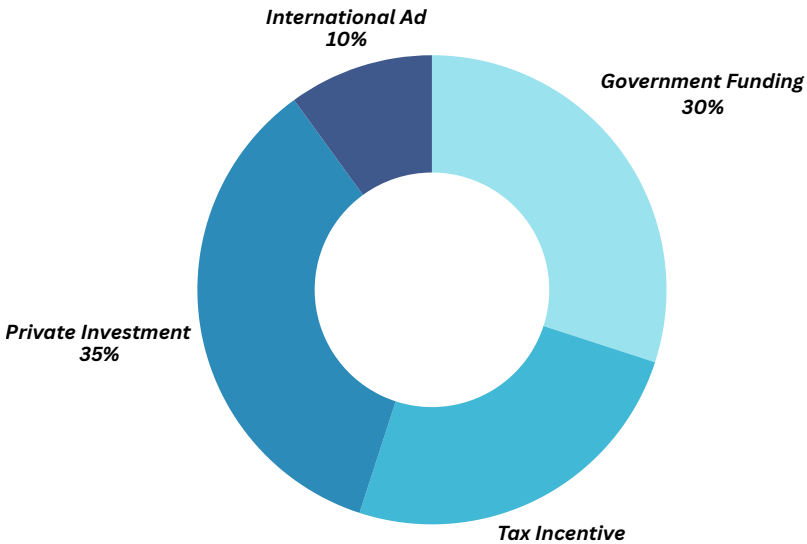
The Ministry of Finance (2021) highlights that these initiatives aim to enhance operational efficiency and promote business model transformation.

Furthermore, the draft Digital Industry Law proposes:

- Tax, credit, and investment incentives for digital technology projects.
- Controlled sandbox mechanisms to foster innovation and protect pioneers in the digital sector (MIC, 2024).

These measures reflect Vietnam's strong commitment to supporting businesses and driving national digital transformation through comprehensive policy frameworks and targeted financial support.

Sources of Digital Transformation Support in Vietnam



Source: MST, 2024

Investment Landscape

KEY SECTORS FOR INVESTMENT

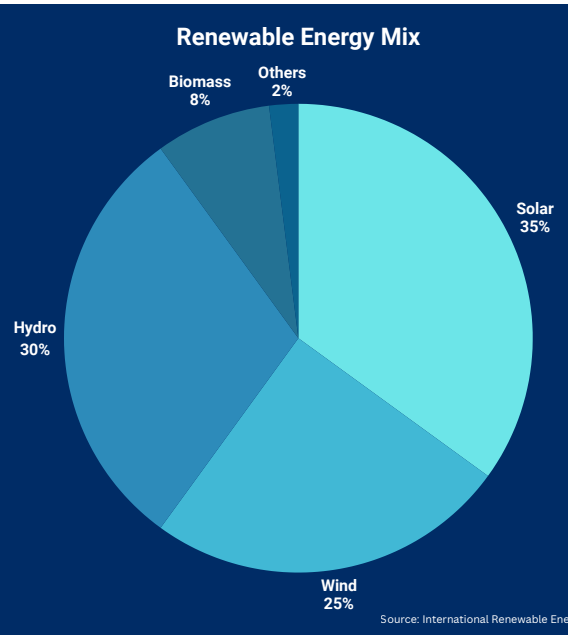
Renewable Energy and Sustainability

SOLAR, WIND, AND BIOMASS ENERGY PROJECTS

Under the Eighth National Power Development Plan (PDP8), Vietnam aims to generate 45% of its electricity from renewable sources by 2030 and achieve net-zero emissions by 2050 (Wengel, 2023).

The government has actively promoted private sector participation through mechanisms such as:

- Feed-in tariffs (FiTs),
- Direct power purchase agreements (DPPAs),
- Preferential corporate income tax rates for renewable energy investors.



Source: International Renewable Energy Agency, 2025

Solar Energy

Vietnam has emerged as one of Southeast Asia's top solar energy markets, with total installed capacity exceeding 18 GW by early 2024. The country has experienced a rapid solar boom due to high irradiation levels, government incentives, and strong investor interest. Ninh Thuan and Binh Thuan host the majority of large-scale projects.

Notable projects:

- Trung Nam Solar Complex – 450 MW
- Dau Tieng Solar Plant – 420 MW

Moving forward, the government is shifting towards direct power purchase agreements (DPPAs), allowing businesses to buy renewable energy directly from producers, enhancing Vietnam's attractiveness for foreign investors seeking green energy solutions.

Wind Energy

Vietnam's wind energy sector has witnessed substantial growth, with total installed capacity reaching over 5.2 GW by early 2024, making it the leading wind power market in ASEAN. The country has significant offshore wind potential, estimated at 475 GW, mainly concentrated along the central and southern coasts.

The government's PDP8 outlines plans to expand offshore wind capacity to 11.8 GW by 2030 and up to 50 GW by 2050, aligning with its energy security and decarbonization strategies.

Key projects include:

- Bac Lieu Wind Farm – 99 MW
- La Gan Offshore Project – 3.5 GW (expected in capacity upon completion)

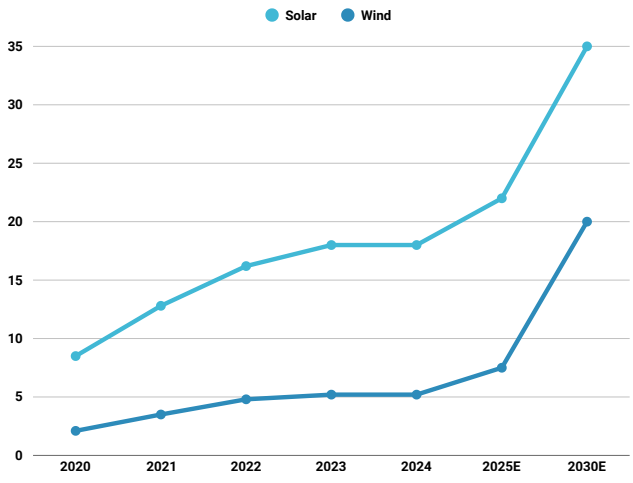
The government is actively working on a revised pricing mechanism to attract more international developers to Vietnam's offshore wind market.

18GW
Solar Capacity 2024

5.2GW
Wind Capacity 2024

$15.5B
JETP Funding

Solar & Wind Trajectory



Source: International Renewable Energy Agency, 2025

Investment Landscape

KEY SECTORS FOR INVESTMENT

Renewable Energy and Sustainability

SOLAR, WIND, AND BIOMASS ENERGY PROJECTS (CONT.)

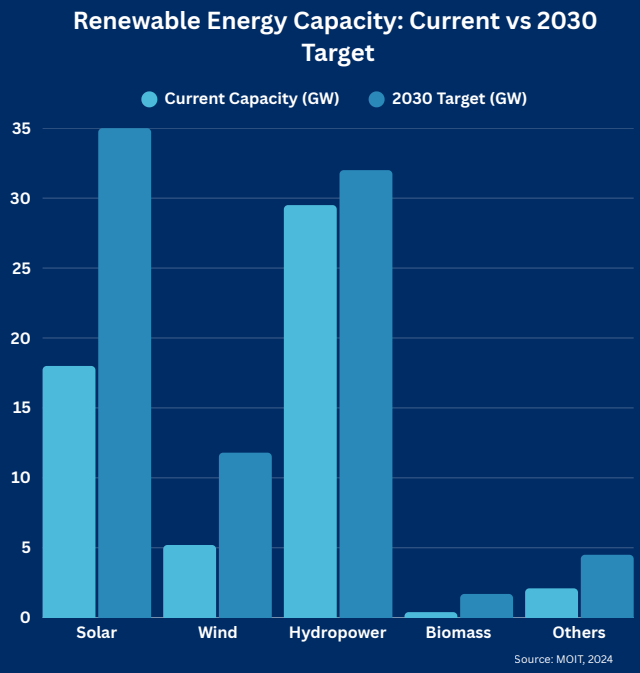
Vietnam is also investing in biomass and waste-to-energy (WTE) projects to diversify its renewable energy mix.
As of 2024,

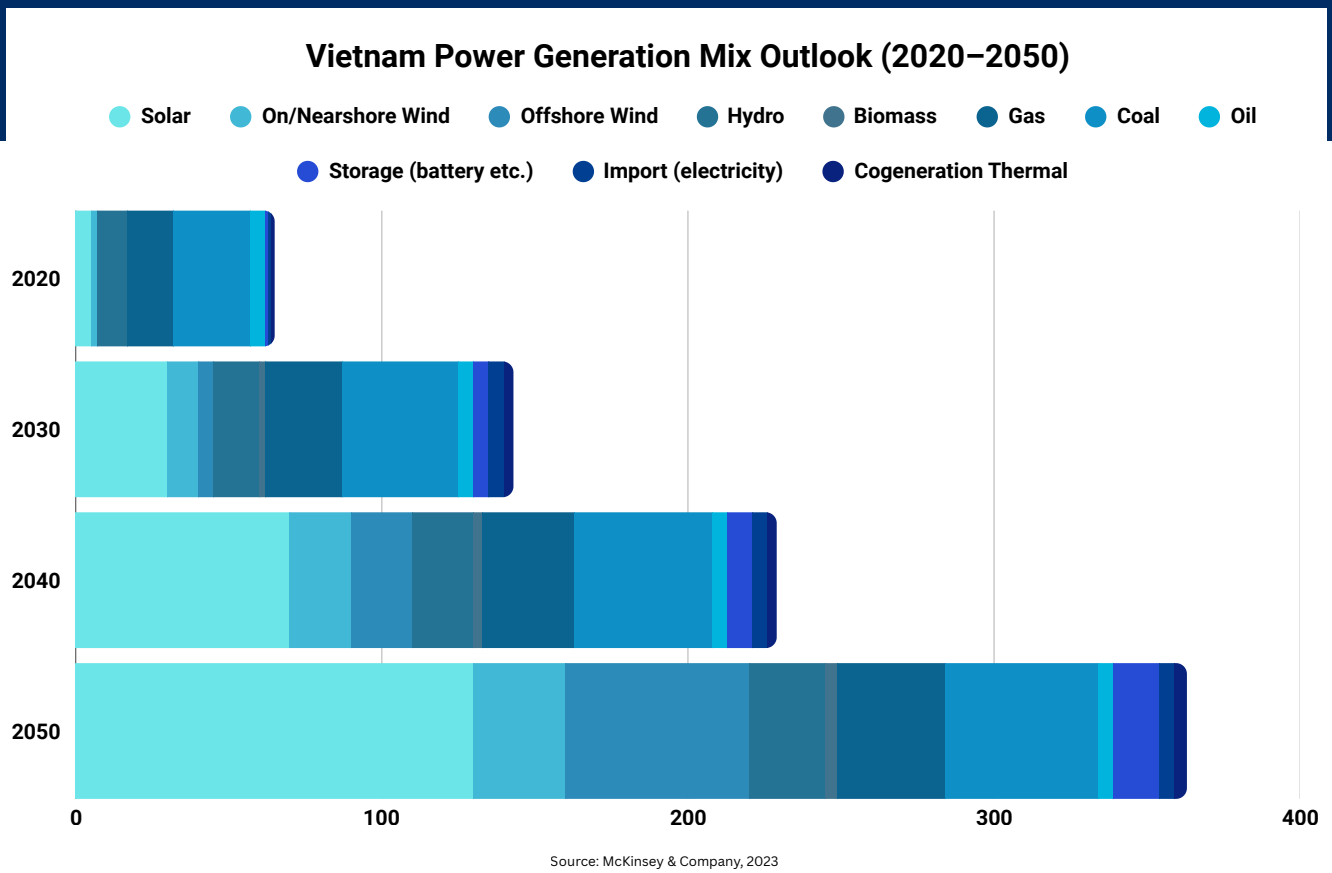
- Installed biomass capacity: 350+ MW (rice husk, bagasse, pellets)

The government offers incentives such as FiTs and tax reductions to encourage further development.
Additionally, Vietnam has committed to expanding its waste-to-energy sector, with projects like:

- Soc Son Waste-to-Energy Plant (90 MW) in Hanoi - Southeast Asia's largest WTE facility

The Ministry of Industry and Trade (MOIT) has announced plans to increase biomass and WTE capacity to 1.7 GW by 2030, supporting Vietnam's circular economy and sustainability goals.





KEY SECTORS FOR INVESTMENT

Renewable Energy and Sustainability (Cont.)

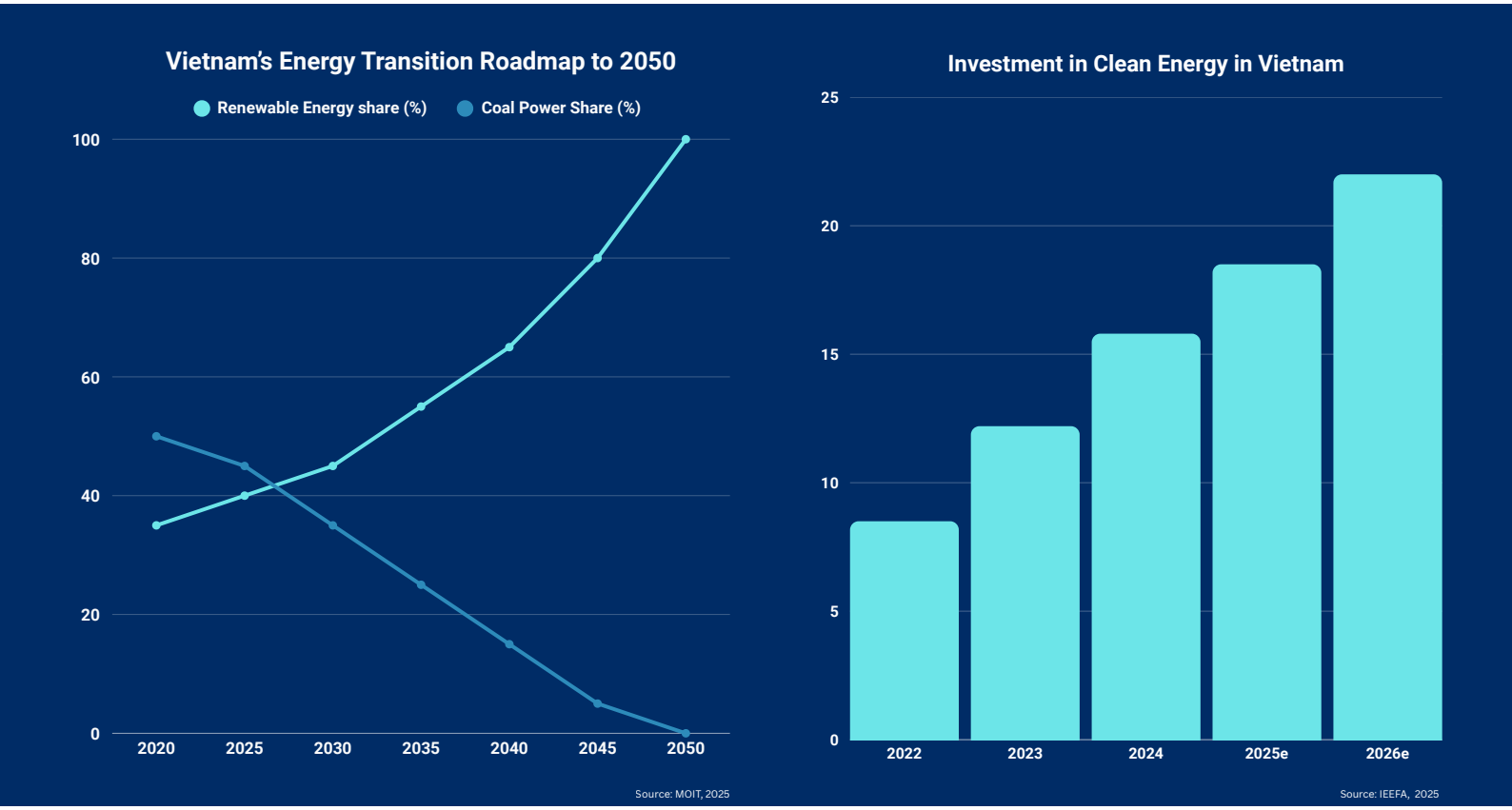
VIETNAM'S ENERGY TRANSITION AND GREEN GROWTH

Vietnam's commitment to energy transition and green growth is reflected in its ambitious policies and investment strategies. The country aims to achieve net-zero carbon emissions by 2050, in line with its Just Energy Transition Partnership (JETP) with international partners, which mobilizes $15.5 billion in funding for clean energy projects.

Under the Eighth National Power Development Plan (PDP8), Vietnam is set to increase the share of renewable energy to 45% of its total installed capacity by 2030, reducing reliance on coal and enhancing energy security.

The government has implemented various incentives to encourage investment in clean energy, including feed-in tariffs (FiTs), corporate income tax reductions, and land-use incentives.

The introduction of the Direct Power Purchase Agreement (DPPA) pilot scheme allows major corporations to procure renewable energy directly from producers, boosting private-sector participation. In addition, Vietnam is actively developing green financing mechanisms, including green bonds and sustainability-linked loans, to attract foreign investment in renewable infrastructure.



Vietnam is also focusing on grid modernization and energy storage solutions to enhance the efficiency and stability of its renewable energy supply. Smart grid projects and battery storage investments are being developed to integrate large-scale solar and wind power into the national grid. Moreover, Vietnam's participation in regional energy cooperation frameworks, such as the ASEAN Power Grid initiative, aims to strengthen cross-border electricity trade and energy resilience.

Investment Landscape

INVESTMENT POLICIES AND REGULATIONS

Legal Framework for Investors

Vietnam's legal framework for foreign investors is governed by the Law on Investment (2020) and the Law on Enterprises (2020), which provide a clear regulatory structure for business operations. These laws define investment procedures, foreign ownership limits, and sectors subject to restrictions or special conditions. Vietnam follows a "negative list" approach, meaning foreign investment is permitted in all sectors except those explicitly restricted by law. The government regularly updates this list to align with economic priorities, sustainability goals, and international commitments under Free Trade Agreements (FTAs) such as the CPTPP, EVFTA, and RCEP. In early 2024, Vietnam introduced regulatory reforms to enhance transparency, reduce administrative burdens, and improve investor protections, particularly in green energy and high-tech industries.

Foreign investors can establish businesses in Vietnam through:

- Wholly Foreign-Owned Enterprise (WFOE)
- Joint Venture (JV)
- Mergers & Acquisitions (M&A)
- Business Cooperation Contract (BCC)
- Representative Office (RO)
- Branch Office
- Public–Private Partnerships (PPPs)
- Project Office
- Franchising
- Licensing / Technology Transfer
- Offshore investment via local distributors

The Vietnamese Ministry of Planning and Investment (MPI) oversees foreign investment licensing, requiring investors to obtain an Investment Registration Certificate (IRC) for new projects. Specific sectors such as finance, telecommunications, and energy remain subject to additional licensing conditions regulated by specialized ministries.

To improve the investment climate, the government has continued to streamline administrative processes, aiming to reduce business registration times to under 10 days in accordance with the National Digital Transformation Strategy.

Additionally, Decree No. 182/2024/ND-CP, issued in December 2024, established the Investment Support Fund (ISF), which offers financial incentives, cash grants, and subsidies to eligible high-tech enterprises investing in research and development (R&D), workforce training, and technology-driven industries.

Vietnam, as a member of the World Trade Organization (WTO), adheres to international investment agreements, ensuring legal protections for foreign investors. Dispute resolution mechanisms are available through Vietnamese courts, international arbitration, and bilateral investment treaties (BITs). The Public-Private Partnership Law (2021) has enhanced legal clarity for infrastructure investments, leading to increased foreign participation in large-scale projects.

Further regulatory incentives were introduced in 2025 under Decree No. 58/2025/ND-CP, which provides extended tax exemptions and land rental reductions for green energy projects, particularly offshore wind, solar, and green hydrogen production (Solar Quarter, 2025). These reforms reflect Vietnam's commitment to attracting high-quality investments in strategic sectors, strengthening investor confidence, and fostering long-term economic growth.

Investment Landscape

INVESTMENT POLICIES AND REGULATIONS

Tax Incentives and Exemptions

Vietnam offers a comprehensive range of tax incentives to attract foreign direct investment (FDI), with a particular focus on high-tech industries, export-oriented businesses, and infrastructure development. The standard corporate income tax (CIT) rate is 20%, but preferential rates apply to projects in priority sectors and special economic zones:

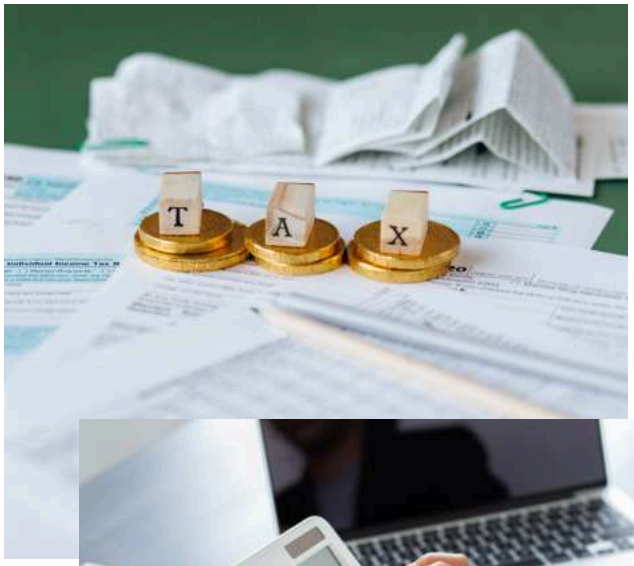
- 10% CIT for up to 15 years for high-tech, R&D, education, healthcare, and renewable energy projects
- 4-year CIT holiday + 50% reduction for 9 years for large-scale strategic projects

To further support foreign investment, Vietnam grants import duty exemptions on machinery, equipment, and raw materials used in export production and high-tech industries. Special incentives also apply to renewable energy projects, with exemptions on import duties for solar panels, wind turbines, and other essential components. In addition, value-added tax (VAT) policies provide further advantages, with

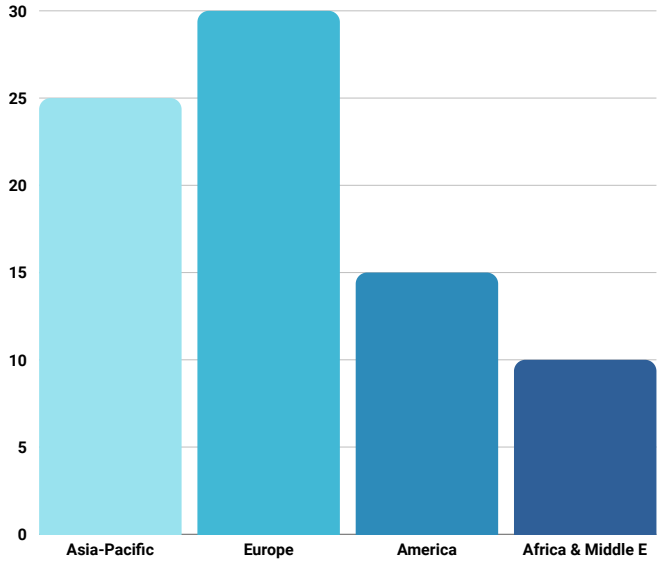
- Standard rate: 10%
- Reduced rate: 5% (essential goods)
- 0% for exported goods and services

Vietnam's extensive network of Double Taxation Avoidance Agreements (DTAAs), covering over 80 countries, ensures that foreign investors are not subject to double taxation on income earned in both Vietnam and their home countries. These agreements enhance Vietnam's appeal as a global investment destination by reducing tax burdens and facilitating cross-border business operations.

In 2024, the government introduced additional tax incentives under Resolution No. 58/NQ-CP, expanding CIT reductions and land-use tax exemptions for projects aligned with national development priorities, including semiconductor production, digital transformation, and clean energy initiatives. These policies reinforce Vietnam's commitment to fostering a competitive and investor-friendly tax environment.



Vietnam's Double Taxation Avoidance Agreements (DTAAs) by Region



Source: MOF, 2025

Investment Landscape

INVESTMENT POLICIES AND REGULATIONS

Land Use Rights and Property Ownership

Foreign investors cannot directly own land in Vietnam, as all land is collectively owned by the state. However, under the Land Law (2013), foreign businesses and individuals can obtain land-use rights (LURs) through long-term leases from the government or private entities. The standard lease term in industrial zones and economic zones is 50 years, with possible extensions for projects that contribute to national development. In exceptional cases, leases may extend up to 70 years.

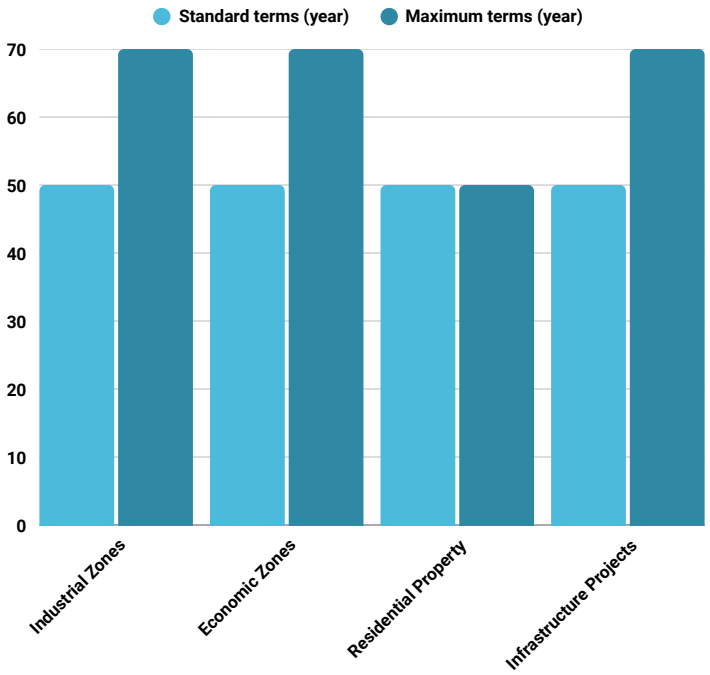
Foreign investors looking to develop real estate, industrial parks, or infrastructure projects can acquire land-use rights through wholly foreign-owned enterprises (WFOEs), joint ventures with Vietnamese partners, or public-private partnerships (PPPs) for infrastructure projects.

Vietnam has expanded property ownership rights for foreign investors under the Housing Law (2014) and Real Estate Business Law (2014). Foreign businesses and individuals can purchase apartments and commercial properties under 50-year leasehold agreements, with extensions granted upon government approval. However, restrictions remain for land purchases and certain residential property transactions.

The government is implementing land policy reforms to improve transparency, simplify land allocation, and reduce administrative delays for foreign investors. Special land incentives, including rental exemptions and reductions, apply to projects in high-tech zones, export processing zones (EPZs), and underdeveloped regions.

Upcoming Land Law amendments in 2024 are expected to provide clearer legal frameworks for foreign investors, particularly in renewable energy, logistics, and high-tech industries, aligning with Vietnam's green growth and infrastructure development priorities.

Vietnam's Land Use Rights Lease Terms by Project Type



Source: MOFA, 2024

High-Tech Zones
Rental Exemption
4 years

Export Processing Zones
Rental Reduction
2 years

Underdeveloped Regions
Land Tax Exemption
10 years

Green Energy Projects
Extended Lease
70 years

Investment Landscape

REGIONAL INVESTMENT OPPORTUNITIES

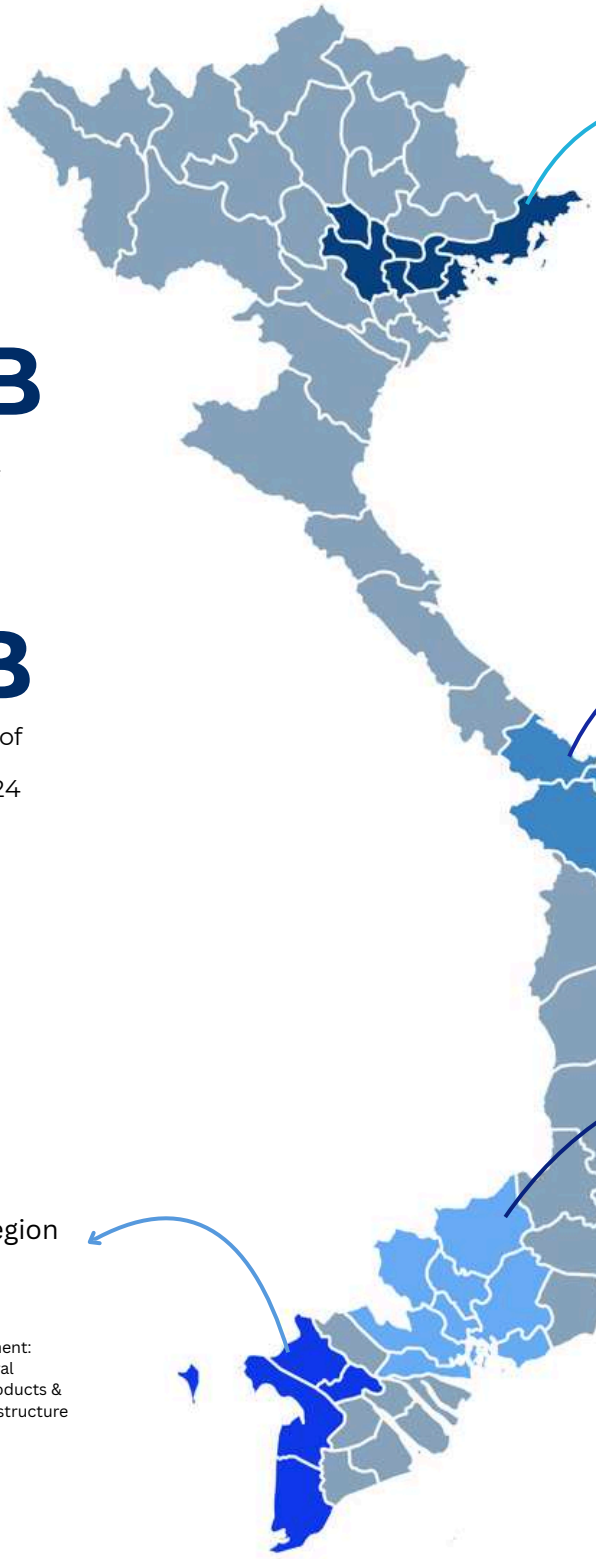
Over the past decade, Vietnam's four Key Economic Regions (KERs) have become strategic anchors for foreign investment, infrastructure development, and industrial transformation. In 2024, they continue to dominate in GDP and FDI contribution, reflecting Vietnam's rising competitiveness in high-tech, logistics, and sustainable manufacturing.

$74.5B

GDP contribution of 4 KERs to the total GDP of Vietnam in 2024

$72.2B

FDI capital contribution of 4 KERs to the total FDI capital of Vietnam in 2024



Northern Key Economic Region

- Area: 15,795 km²
- Population: 18.1 million
- Labor force partcipation: 49%
- Priority sectors and area for development: High-tech industries (electronics, semiconductors); Banking & finance; Specialized healthcare; Human resource training hubs; Supporting industries (components, logistics)

Central Key Economic Region

- Area: 27,945 km²
- Population: 6.8 million
- Labor force: 55%
- Priority sectors and area for development: Marine economy (tourism, logistics); Automotive assembly & manufacturing; Petrochemical & national defense industries; Eco-tourism, renewable energy, seaports

Southern Key Economic Region

- Area: 30,411 km²
- Population: 22.7 million
- Labor force: 55%
- Priority sectors and area for development: Electrical & electronics manufacturing (Intel, Samsung HCMC); Digital economy & fintech; Real estate & logistics; Processing & assembly (textiles, auto parts); Banking & financial services

Mekong Delta Economic Region

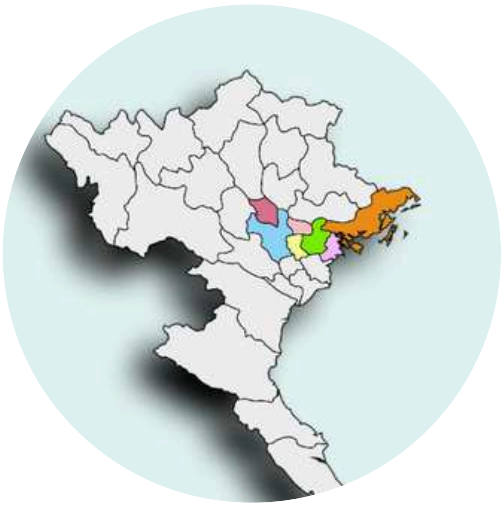
- Area: 16,475 km²
- Population: 6.2 million
- Labor force: 50%
- Priority sectors and area for development: Smart & organic agriculture; Agricultural processing & preservation; Aquatic products & green logistics; Climate-adaptive infrastructure

Source: KPMG, 2024

Investment Landscape

REGIONAL INVESTMENT OPPORTUNITIES

Northern Economic Zones (Hanoi, Bac Ninh, Hai Phong, Quang Ninh)



The Northern Key Economic Region (NKER), comprising Hanoi, Hai Phong, Quang Ninh, Bac Ninh, Vinh Phuc, Hung Yen, and Hai Duong remains one of Vietnam's most strategically important and dynamic economic regions. In 2024, the NKER collectively attracted over US$16.2 billion in foreign direct investment (FDI), accounting for nearly 43% of Vietnam's total newly registered capital for the year.

Province	Population (million)	Labor Force (million, % of pop.)	GRDP Growth (%)	Accum. Reg. FDI (USD M)	Total Reg. FDI 2024 (USD M)	New + Adjusted FDI (USD M)
Hanoi	8.2	4.5 (55%)	~7.0	42,340	~3,200	~3,200
Bac Ninh	1.5	0.8 (53%)	8.5	30,970	5,120	5,120
Hai Phong	2.0	1.0 (50%)	>10.0	32,580	4,940	4,940
Quang Ninh	1.3	0.7 (54%)	>10.0	16,200	2,290	2,290
Hung Yen	1.3	0.66 (51%)	7.7	8,300	1,400	1,400
Hai Duong	1.7	0.8 (47%)	10.0	10,600	350	350
Vinh Phuc	1.1	0.5 (45%)	9.0	8,300	436	436

Source: GSO, 2025 and MSI, 2025

Hanoi continued to lead in both policy-making and high-value sectors. With major infrastructure investments including Noi Bai Airport expansion, Ring Roads 3 & 4, and metro connectivity to industrial zones the city drew significant capital into IT, finance, and advanced manufacturing. The Hoa Lac Hi-Tech Park attracted giants like Viettel, FPT, and Nidec, cementing Hanoi's status as an innovation hub.

Bac Ninh ranked first nationwide in registered FDI, securing $5.12 billion about 13.4% of Vietnam's total. It remained the country's electronics manufacturing hub, housing major players like Samsung, Canon, Foxconn, and Amkor. Bac Ninh alone accounted for over 50% of national electronics exports and offered generous incentives such as 10% CIT for 15 years and land rent reductions.

Hai Phong came second in FDI with $4.94 billion, fueled by its position as a logistics and industrial gateway. Lach Huyen Deep-Sea Port facilitated direct international shipping routes, while the Dinh Vu–Cat Hai Economic Zonehosted major global investors like LG, Bridgestone, and VinFast. The city is also emerging as a key electric vehicle and battery manufacturing hub.

Quang Ninh has consistently ranked high in provincial competitiveness (PCI) and continues to improve infrastructure through projects like Van Don Economic Zone, expressways, and deep-sea ports. It has attracted FDI in smart city development, logistics, and tourism. The province also stands out with proactive administrative reform and investor services.

While the four provinces above lead in scale and depth of foreign investment, other NKER members are increasingly playing supporting but strategic roles:

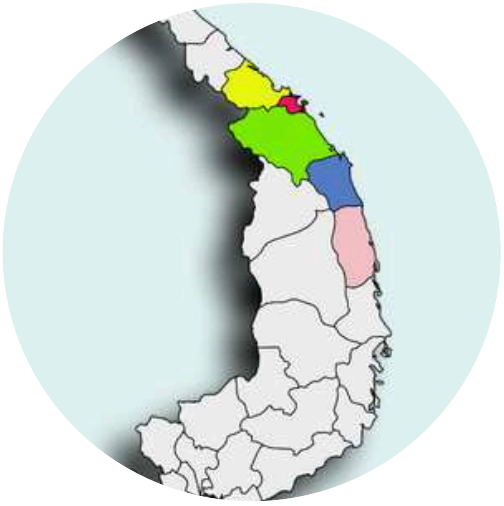
- Hung Yen: Boasted 17 industrial zones (4,300+ ha) and over 592 FDI projects (valued at $7.7 billion). Its central location and logistics access to major ports, highways, and Hanoi make it ideal for supply chain clustering. Key investors include Canon, OPPO, Panasonic, and LG.
- Hai Duong: Hosted 577 FDI projects totaling $10.6 billion by 2024. With strong linkages to manufacturing and agriculture, the province is building out its supporting industries and export processing zones.
- Vinh Phuc: Recorded $590 million in new FDI in 2024, surpassing its yearly target by 50%. A hub for supporting industries and electronics, the province continues to benefit from proximity to Hanoi and improved connectivity.

Beyond industrial and logistics advantages, the region's geographical proximity to China (100–150 km from the border) allows businesses to efficiently import raw materials and export goods to the Chinese market while leveraging broader Asian supply chains. Compared to major manufacturing centers in Shenzhen (China) and Bangkok (Thailand), labor costs in Northern Vietnam remain 30–50% lower, providing a cost-effective alternative for global manufacturers. Additionally, the Vietnamese government continues to enhance the business environment through regulatory reforms, tax incentives, and policies promoting high-tech industrial growth.

Investment Landscape

REGIONAL INVESTMENT OPPORTUNITIES

Central Economic Zones (Da Nang, Quang Nam)



The Central Key Economic Region (CKER) of Vietnam, which includes Thua Thien-Hue, Da Nang, Quang Nam, Quang Ngai, and Binh Dinh, is a critical economic hub due to its strategic location, improving infrastructure, and diverse economic base. Among these provinces, Da Nang and Quang Nam stand out for their rapid industrialization, strong tourism sector, and investor-friendly policies. With ongoing government-backed initiatives and a focus on sustainable development, these two provinces are becoming increasingly attractive for foreign direct investment (FDI).

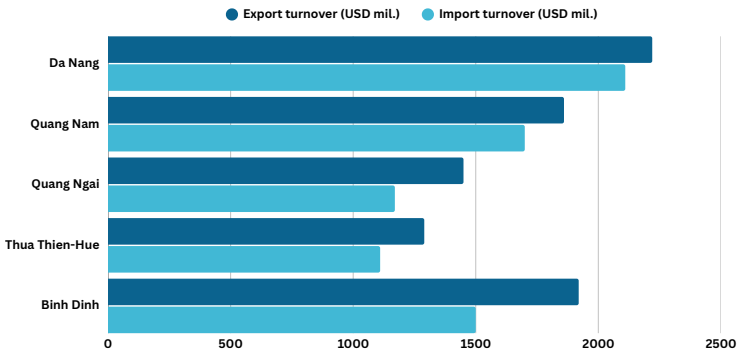
Da Nang has positioned itself as the economic and technological center of Central Vietnam, with a strong emphasis on IT, high-tech industries, logistics, and smart city development. The city has led Vietnam's Digital Transformation Index (DTI) rankings since 2020, reinforcing its status as a national leader in digital governance and technology-driven industries.

- The Da Nang Hi-Tech Park, one of only three hi-tech parks in Vietnam, offers preferential tax policies, including a corporate income tax rate of 10% for 15 years and tax exemptions for the first four years.
- Major foreign investors such as UAC (USA), LG Electronics (South Korea), and Fujikin (Japan) have established operations in the park, contributing to Da Nang's growing reputation as a regional innovation hub.

Additionally, Da Nang's well-developed infrastructure including the international airport, Tien Sa Port, and an extensive expressway network facilitates seamless trade and connectivity.

- In 2024, Da Nang's Gross Regional Domestic Product (GRDP) grew by an estimated 7.51%, positioning it 7th among 14 provinces in the northern and coastal central regions and 29th nationwide.
- The city's economic scale reached approximately VND 151 trillion, marking an increase of VND 17 trillion compared to 2023, and securing the 17th spot nationwide, leading among southern central coastal provinces.
- Domestic investment in Da Nang saw a significant uptick, with the city granting investment certificates for 19 domestic projects totaling VND 73.34 trillion (approximately $2.88 billion) as of December 25, 2024, reflecting a year-on-year increase of over 50%.

Export–Import Performance of Central KER Provinces (USD mil)



Source: GSO, 2025

Quang Nam, located just south of Da Nang, offers a complementary mix of industrial development and tourism potential.

- The Chu Lai Open Economic Zone, Vietnam's first multi-sector economic zone, has attracted significant FDI in automotive manufacturing, industrial production, and export-oriented industries.
- It is home to the Truong Hai Auto Corporation (THACO), Vietnam's leading automobile manufacturer, which has expanded its production facilities to include electric vehicles and supporting industries.

In addition to its industrial strengths, Quang Nam is a major tourism hotspot, featuring two UNESCO World Heritage sites:

- Hoi An Ancient Town
- My Son Sanctuary.

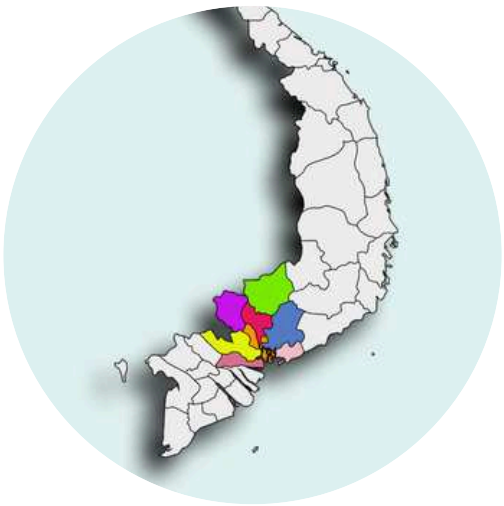
In 2023, the province recorded an 8.25% GDP growth rate, the highest in the region, supported by a post-pandemic rebound in tourism and increased foreign investment in industrial parks. The 2024 economic outlook remains positive, with projected growth between 7.5% and 8%, backed by further investments in infrastructure, logistics, and sustainable tourism.

Central Vietnam's investment appeal is further strengthened by its strategic location along the East-West Economic Corridor, connecting Vietnam with Laos, Thailand, and Myanmar. The region offers cost advantages over the Northern and Southern KERs, with competitive labor costs and attractive investment incentives. The Vietnamese government continues to enhance regulatory transparency and infrastructure to facilitate foreign investment, particularly in priority sectors such as renewable energy, high-tech industries, and smart city development.

Investment Landscape

REGIONAL INVESTMENT OPPORTUNITIES

Southern Economic Zones (HCM City, Binh Duong, Dong Nai)



The Southern Key Economic Region (SKER), which includes eight provinces and cities, continues to be Vietnam's primary economic engine. In 2024, the region contributed approximately 31% of the national GDP and accounted for 46% of total foreign direct investment (FDI), reaffirming its status as the country's leading investment destination. Ho Chi Minh City (HCMC), Binh Duong, and Dong Nai stand out as the top-performing provinces, driven by strong industrial development, infrastructure expansion, and a favorable business environment.

National GDP	FDI Share	Saigon Hi-Tech Park
31%	46%	$12B
SKER Contribution	Total FDI (2024)	Total Investment

HCMC remains Vietnam's economic powerhouse, leading in financial services, technology, real estate, and consumer goods.

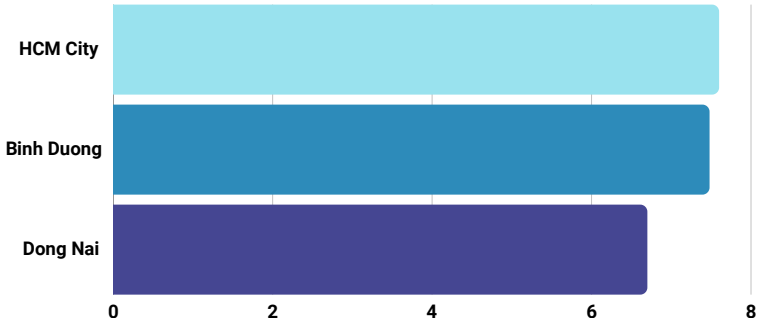
- The city's Saigon Hi-Tech Park (SHTP) has attracted over US$12 billion in investments from global corporations such as Samsung, Intel, and Nidec.

Infrastructure developments, including the near-completion of Metro Line 1 and plans for Metro Line 2, are expected to improve urban mobility and enhance investor confidence. Additionally, the implementation of smart city initiatives, digital transformation programs, and a push for green energy investments align with HCMC's long-term vision of becoming a regional financial and technological hub.

- In the first half of 2024, HCMC's economy showed significant improvement, recording a GDP growth rate of 7.6%, reflecting a recovery driven by increased public investment and foreign capital inflows.

Binh Duong continues to strengthen its position as an industrial and logistics hub, ranking second nationwide in FDI attraction with a cumulative registered capital of over US$41 billion by early 2024. The province is home to 29 industrial parks, including the Vietnam-Singapore Industrial Parks (VSIPs), which have played a crucial role in attracting multinational manufacturers in electronics, textiles, and precision engineering. Binh Duong's rapid urbanization and improved transportation networks, such as the expansion of National Highway 13 and the upcoming Ring Road 3 project, further enhance its appeal to investors. By mid-2024, Binh Duong's GDP had grown by 7,48%, driven by its well-established industrial base and expanding service sector.

Economic Performance 2024



Source: GSO, 2024

Dong Nai remains a key player in Vietnam's manufacturing and export economy, benefiting from its proximity to HCMC and major transportation projects like

- Long Thanh International Airport, which is set to commence partial operations in 2026.

The province specializes in high-tech manufacturing, automotive production, and food processing, supported by industrial parks such as

- Amata
- Long Duc
- Loc An - Binh Son

Dong Nai has attracted over US$37 billion in cumulative FDI, with ongoing investments from companies in Japan, South Korea, and the EU. By the first half of 2024, Dong Nai's economy had expanded by 6.7%, reflecting strong industrial growth, infrastructure upgrades, and sustainable development initiatives.

Overall, the Southern Economic Hubs remain Vietnam's most dynamic investment destinations, offering competitive labor costs, modern industrial parks, and a business-friendly environment. Investors looking to expand in Southeast Asia should consider HCMC, Binh Duong, and Dong Nai for their strong economic fundamentals, strategic locations, and government incentives tailored to high-tech, logistics, and industrial manufacturing sectors.

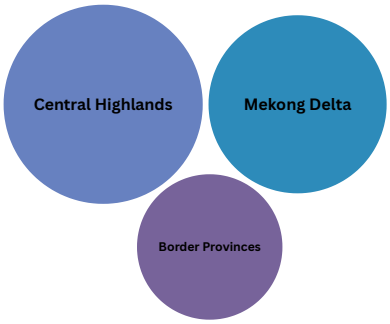
Investment Landscape

REGIONAL INVESTMENT OPPORTUNITIES

Emerging Markets in Rural and Remote Areas

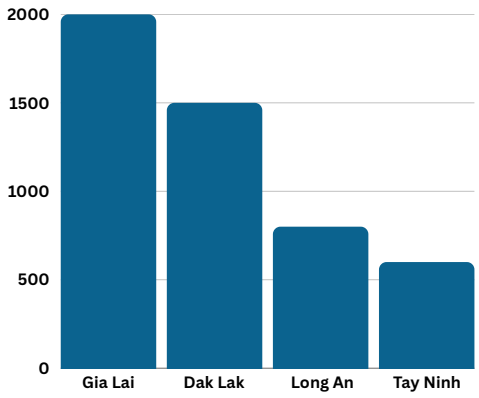
Beyond the traditional economic zones, Vietnam's rural and remote areas are gaining traction as attractive investment destinations, particularly in agriculture, renewable energy, and infrastructure development. In 2024, government policies continued to support sustainable growth in these regions, promoting technological advancements and regional connectivity.

Emerging Markets Growth



Source: GSO, 2025

Renewable Energy Capacity (MW)



Source: EVN, 2025

The Mekong Delta, often referred to as

- Vietnam's "rice bowl"

remains a key location for investments in sustainable farming, agri-tech, and food processing. Provinces such as An Giang and Can Tho have adopted modern agricultural techniques, with

- Can Tho's agricultural export sector growing by 12% in the first half of the year, driven by investments in processing facilities and improved logistics infrastructure.
- Additionally, ongoing projects such as the My Thuan - Can Tho Expressway are enhancing regional connectivity, further boosting investment potential.

The Central Highlands, particularly Gia Lai and Dak Lak, has emerged as a leading renewable energy hub. By mid 2024,

- Gia Lai's total installed wind and solar power capacity surpassed 2,000 MW, with strong investor interest from both domestic and foreign firms.
- Dak Lak, already home to some of Vietnam's largest wind farms, saw new project approvals in early 2024, reinforcing its role in the country's transition to green energy.

Alongside renewable energy, these provinces continue to invest in coffee production and processing, with technological innovations improving yields and quality for export markets.

Beyond the Mekong Delta and Central Highlands, provinces such as Long An, Tay Ninh, and Binh Phuoc are becoming dynamic investment frontiers.

- Long An leverages its proximity to Ho Chi Minh City and expanding logistics infrastructure to attract agribusiness and food processing investments, while its renewable energy sector also saw growth in 2024, with new solar and biomass energy projects supporting industrialization.
- Tay Ninh, benefiting from its strategic location on the Cambodian border, has strengthened its role in cross-border trade and agro-processing. Infrastructure developments, including the Moc Bai Expressway project, are enhancing connectivity, making the province increasingly attractive for export-driven industries.
- Binh Phuoc, with its extensive land resources, remains a key player in sustainable agriculture and food processing. The province's focus on high-tech farming, particularly in cashew and rubber production, has attracted increased FDI in 2024, reinforcing its position as a major agricultural exporter.

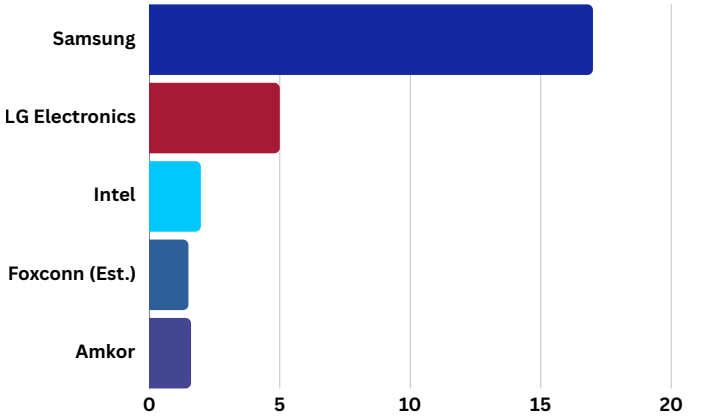
CASE STUDIES

Success Stories of Foreign Investments

SAMSUNG

Samsung's investment in Vietnam has been a game-changer for the country's electronics manufacturing sector. Since entering the Vietnamese market in 2008, the South Korean giant has invested approximately $17 billion, establishing major production hubs in Bac Ninh, Thai Nguyen, and Ho Chi Minh City. As of 2024, Samsung employs over 100,000 workers and accounts for nearly 20% of Vietnam's total exports. In 2023 alone, Samsung Vietnam recorded exports worth $65 billion, solidifying its role as a key contributor to the global supply chain for smartphones, tablets, and electronic components (Nikkei Asia, 2024). Additionally, Samsung has been expanding its research and development (R&D) capabilities, with a $220 million R&D center in Hanoi that strengthens Vietnam's position in high-tech innovation.

Top Tech Investors in Vietnam (2024)



Source: Do Ventures, 2024

INTEL

Intel's $1.5 billion chip assembly and testing facility in Ho Chi Minh City, one of its largest globally, has played a crucial role in Vietnam's growing semiconductor industry. In early 2024, the company announced an additional $475 million investment to expand its Vietnam operations, driven by the country's skilled workforce, cost efficiencies, and improving infrastructure. The expansion aligns with Vietnam's broader strategy to attract high-value investments in the semiconductor sector, positioning the country as a competitive player in global supply chains. Intel's presence has also stimulated the local ecosystem, with increased demand for suppliers, logistics services, and specialized talent development in electronics and chip manufacturing.

Vietnam-Singapore Industrial Parks (VSIP)

The Vietnam-Singapore Industrial Parks (VSIP), a joint venture between Vietnam and Singapore, have become a benchmark for industrial zone development. Since its inception in 1996, VSIP has expanded to 14 locations across Vietnam, attracting over $15 billion in investments from global corporations such as Unilever, PepsiCo, and Nestlé. The success of VSIP is attributed to its modern infrastructure, streamlined regulatory procedures, and investor-friendly policies. In 2024, VSIP announced further expansions, particularly in Binh Duong and Bac Ninh, to accommodate the increasing demand from international manufacturers. These industrial parks have not only created thousands of jobs but also contributed to Vietnam's rapid industrialization and integration into global value chains.

LG ELECTRONICS

South Korea's LG Electronics has steadily expanded its presence in Vietnam, investing over $5 billion in manufacturing operations. The company's largest facility, located in Hai Phong, produces high-end electronic components, including OLED displays and home appliances. In 2024, LG announced an additional $1 billion investment to enhance R&D capabilities and expand its production of automotive components for electric vehicles, aligning with Vietnam's ambitions to become a key hub for the electric mobility industry.

Vietnam Investment Annual Report

PRACTICAL GUIDELINES FOR INVESTORS

Practical Guidelines for Investors

SETTING UP A BUSINESS IN VIETNAM

3-6	$5K-15K	9
Months	Est. Cost	Key Steps

1

Pre-investment Preparation

Determine the business structure (Wholly Foreign-Owned Enterprise, joint venture, or representative office) and conduct comprehensive market research. Prepare necessary documentation and select business location.

Timeline: 2-4 weeks

2

Obtain Investment Approval

Submit an investment proposal to the Department of Planning and Investment (DPI) to obtain an Investment Registration Certificate (IRC). Processing time is typically 15 working days, though it may take longer for non-WTO regulated sectors. Note: IRC is not required if foreign ownership is below 50% of charter capital (Rödl & Partner, 2023).

Timeline: 15-30 working days

3

Register the Business

Apply for a Business Registration Certificate (BRC/ERC) with the DPI. For foreign investors establishing a new entity, submit company charter, shareholder details, and investment capital information. Processing typically takes about 3 business days (Chambers and Partners, 2024).

Timeline: 3-5 business days

4

Open a Bank Account

Open a corporate bank account with a licensed bank in Vietnam. Present the BRC and personal identification of legal representatives. This should be done early as it's required for subsequent steps.

Timeline: 1-2 weeks

5

Seal Registration and Tax Code Application

Register the company seal with the Business Registration Authority and apply for Tax Code with the Tax Department. Digital seals are available for online transactions.

Timeline: 3-5 business days

6

Capital Contribution

Contribute the registered capital within 90 days of business registration (ERC issuance). Capital transfers must comply with State Bank of Vietnam (SBV) regulations for foreign exchange.

Timeline: Within 90 days of ERC

7

Obtain Additional Permits

Depending on business sector, obtain sector-specific permits such as: Investment License (for certain sectors); Import/Export License; Fire Safety Certificate; Environmental License; Construction permits; Industry-specific licenses from relevant ministries (Industry and Trade, Health, etc.).

Timeline: 2-8 weeks depending on permit type

8

Employee Registration

Register employees for social insurance with Vietnam Social Security Office, submit labor contracts, and comply with labor regulations. Register for Personal Income Tax withholding.

Timeline: 1-2 weeks

9

Ongoing Compliance

Maintain compliance with tax, labor, and financial reporting regulations. Submit annual reports, tax filings, and maintain proper accounting records as required by Vietnamese law.

Timeline: Ongoing (monthly/quarterly/annual filings)

Practical Guidelines for Investors

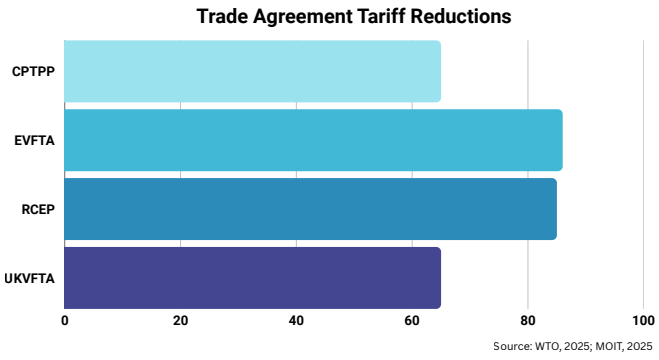
NAVIGATING TAXATION AND COMPLIANCE

Vietnam's tax framework, governed by the Law on Tax Administration (2019), sets out strict compliance requirements for foreign investors. The Corporate Income Tax (CIT) rate is 20%, but businesses in priority sectors such as renewable energy, high-tech manufacturing, and research & development (R&D) may qualify for preferential rates of 10% (for new technology enterprises, software development, and renewable energy projects with minimum investment of USD 15 million) or 15% (for high-tech manufacturing and R&D centers with minimum investment of USD 6 million).

To attract foreign direct investment (FDI), Vietnam offers tax holidays of up to four years, followed by a 50% reduction in CIT for the next nine years—however, eligibility depends on investment scale and sector: projects over USD 40 million in extremely encouraged sectors qualify for the full 4+9 year incentive, while standard encouraged projects with minimum USD 15 million investment receive 2-year exemption plus 4-year 50% reduction. Additionally, Special Economic Zones (SEZs) such as Van Don SEZ (10% CIT for 15 years), Phu Quoc SEZ (10% CIT with tourism focus), and North Van Phong SEZ (10% CIT for manufacturing) and Export Processing Zones (EPZs) with minimum investment thresholds of USD 15 million and employment requirements of 500+ workers provide further tax incentives, making them attractive locations for investors seeking operational cost advantages.

Vietnam's Value-Added Tax (VAT) system applies a standard rate of 10% on most goods and services, while essential goods such as healthcare products and education-related services enjoy a reduced 5% VAT rate. Exported goods and services benefit from 0% VAT rate, with exporters eligible for input VAT refunds within 10 working days. Fully VAT-exempt categories include medical services (examination, treatment), education services (tuition, training), financial services (banking, insurance), and land use rights transfers, which strengthens Vietnam's position as a competitive base for export-driven businesses. Import duties, which apply to specific products, have been significantly reduced due to Vietnam's participation in major Free Trade Agreements (FTAs) such as CPTPP (65% of tariff lines eliminated immediately), EVFTA (86% of EU goods duty-free), RCEP (progressive elimination over 10-20 years), and UKVFTA (65% of UK goods duty-free immediately), further enhancing the country's attractiveness for global trade.

To ensure compliance, businesses in Vietnam must fulfill quarterly and annual tax filing obligations with mandatory e-filing for most taxes, VAT returns due by the 20th of the following month, and CIT returns due by the 30th of the following quarter while adhering to transfer pricing regulations when engaging in related-party transactions exceeding VND 50 billion annually, with documentation required within 15 days of tax authority request (PwC Vietnam, 2024). Foreign employees are subject to Personal Income Tax (PIT) at progressive rates from 5% to 35%, with tax residence determined by 183+ days presence in Vietnam. Employers are required to contribute 21.5% of an employee's salary broken down as: Social Insurance (17.5%), Health Insurance (3%), and Unemployment Insurance (1%), while employees contribute 10.5% (Social Insurance 8%, Health Insurance 1.5%, Unemployment Insurance 1%), calculated on maximum monthly salary of VND 29.8 million (Vietnam Social Security, 2024). Vietnam has signed Double Taxation Avoidance Agreements (DTAAs) with over 80 countries, preventing foreign investors from being taxed on the same income in both Vietnam and their home country (Ministry of Planning and Investment, 2024).



Source: WTO, 2025; MOIT, 2025

Non-compliance with tax regulations can lead to specific financial penalties: late filing penalty of 20% of tax due, late payment penalty of 0.03% per day, and tax evasion penalties of 1-3 times the tax amount, or even business suspension for severe violations. Additional considerations include Digital Services Tax of 5% on revenue from digital services exceeding VND 100 billion annually, and Environmental Tax on petroleum products, coal, and other specified items. To mitigate risks, investors should engage local tax advisory firms, implement robust accounting systems with mandatory e-invoicing since July 2022 and 5-year record retention requirements, and stay informed about evolving tax policies including recent updates from Circular 80/2021 on transfer pricing documentation. By adopting proactive tax strategies and maintaining regulatory compliance, foreign investors can maximize tax incentives while ensuring sustainable business operations in Vietnam.

Practical Guidelines for Investors

MANAGING CROSS-CULTURAL BUSINESS RELATIONSHIPS

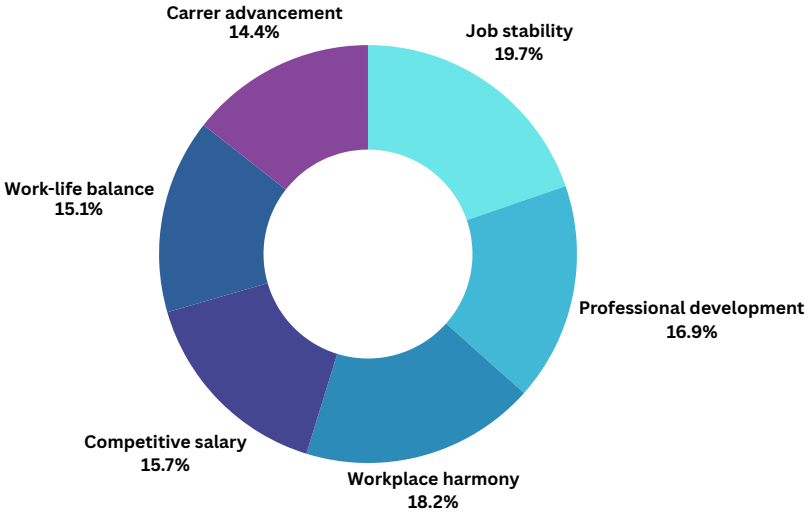
Vietnam's business culture is deeply rooted in relationship-building, hierarchy, and respect for seniority, making it essential for foreign investors to adapt to these cultural dynamics for long-term success. Business relationships in Vietnam often follow the principle of "Guanxi" (relationship networks), where trust and personal connections play a crucial role in negotiations and decision-making with 78% of successful foreign businesses citing relationship-building as their primary success factor. Meetings typically begin with 15-20 minutes of informal discussions and tea service before formal negotiations, as establishing rapport is seen as a vital part of business etiquette. The concept of "face" is paramount, requiring careful attention to preserving dignity and avoiding public embarrassment during discussions.

Understanding proper business etiquette is also important for investors. Exchanging business cards using both hands with a slight bow, reading the card carefully before placing it respectfully on the table, and addressing senior executives by their formal titles (Ông/Bà + Title) demonstrate professionalism and respect. Gift-giving follows specific protocols: gifts should be wrapped in red or pink paper (avoiding white, which signifies mourning), presented with both hands, and not opened immediately in front of the giver. Patience is often required during negotiations, as deals may take 3-6 months longer to finalize compared to Western markets due to the emphasis on trust-building, consensus-seeking, and risk mitigation. The Vietnamese concept of "thận trọng" (cautiousness) means that multiple meetings and relationship-building activities are necessary before major commitments.

Labor market expectations in Vietnam also differ significantly from those in Western economies. Employees prioritize job stability (89% of respondents in 2024 surveys), professional development opportunities (76%), and workplace harmony (82%). The concept of "collective success" is valued over individual achievement, with team-based rewards and recognition programs being more effective than individual merit systems. Additionally, Vietnamese employees expect regular feedback and mentorship from senior colleagues, with 68% viewing this as essential for career development.

Companies that integrate Vietnamese cultural values into their management style tend to experience 45% higher employee retention and 30% smoother operations compared to those using purely Western management approaches. Successful integration strategies include: appointing Vietnamese cultural advisors to senior management teams, conducting cultural sensitivity training for expat managers, establishing mentorship programs pairing foreign and local employees, and creating communication channels that respect hierarchical structures while encouraging innovation.

Successful foreign businesses in Vietnam recognize that cultural awareness, adaptability, and relationship-driven engagement are key factors in building sustainable business partnerships. The most successful foreign companies typically invest 2-3 years in relationship-building before expecting significant returns, maintain consistent presence through local offices rather than remote management, and demonstrate long-term commitment to the Vietnamese market through local hiring, training programs, and community engagement (KPMG Vietnam, 2024). By embracing these cultural nuances, investors can navigate Vietnam's business landscape more effectively and create mutually beneficial collaborations.



Source: Savills, 2024

REFERENCES

- ARC Group (2024) *Vietnam Economic Update Report, Q2 2024 , ARC Group - Global financial services with deep roots in Asia*. Available at: https://arc-group.com/report/vietnam-economic-update-report-q2-2024/.
- ASEAN Briefing (2024) *Key Industrial Parks in Northern Vietnam*, *ASEAN Briefing*. Available at: https://www.aseanbriefing.com/vietnam-news/key-industrial-parks-in-northern-vietnam?.com.
- Báo Điện tử Chính Phủ (2024) "Tận dụng tối đa cơ hội từ các FTA và mục tiêu tăng trưởng càng cao càng tốt," *Báo Điện tử Chính phủ*, 7 June. Available at: https://baochinhphu.vn/tan-dung-toi-da-cac-co-hoi-tu-cac-fta-va-muc-tieu-tang-truong-cang-cao-cang-tot-102240530160358728.htm.
- Chambers and Partners (2024) Corporate M&A 2024: Vietnam. Chambers and Partners. Available at: https://chambers.com/legalguide/corporatema2024vietnam46.
- Coppola, A. *et al.* (2024) *Viet Nam 2045 Trading up in a Changing World– Pathways to a High-Income Future*, *World Bank Group*. Washington, D.C. Available at: https://documents1.worldbank.org/curated/en/099111424204523679/pdf/P1787841e077190d919b24181b4dcb14765.pdf.
- Coppola, D. et al. (2024) Vietnam needs to diversify supply chains for sustainable growth. Vietnamplus.vn. Available at: https://en.vietnamplus.vn/vietnamneedstodiversifysupplychainsforsustainablegrowtheconomistspost298251.vnp
- Da Nang News (2025) Da Nang attracts significant FDI in 2025. Da Nang News. Available at: https://danangnews.vn/en/fdi2025.
- Da Nang News (2025) Da Nang's GRDP in 2024 up by 7.51%, Da Nang Online. Available at: https://baodanang.vn/english/business/202501/da-nangs-grdp-in-2024-up-by-751-3998736/.
- Delco (2025) FDI attraction in Vietnam 2024: highest disbursed capital ever recorded , Delco Construction. Available at: https://delco-construction.com/en/fdi-attraction-in-vietnam-2024/.
- Delco (2025) FDI Into Vietnam In The First Half Of 2025 Reaches USD 21.52 Billion. Delco Construction. Available at: https://delcoconstruction.com/en/fdiintovietnaminthefirsthalfof2025/
- Dilinh Legal (2024) Doing Business in Vietnam 2024. SCG Legal. Available at: https://scglegal.com/wpcontent/uploads/DilinhLegal_DoingBusiness_inVietnam_2024.pdf
- Everich Vietnam (2024) Việt Nam's FTA network as of October 2024. Vietnam News. Available at: https://vietnamnews.vn/economy/1666775/vietnamsftanetworkasofoctober2024.html.
- Everich Vietnam (2024) Vietnam – UAE Signs Comprehensive Economic Partnership Agreement: Expanding Trade Opportunities in the Middle Eastern Market, Everich. Available at: https://everichvietnam.com/vietnam-uae-signs-comprehensive-economic-partnership-agreement-expanding-trade-opportunities-in-the-middle-eastern-market.
- EY & FIA (2024) Doing Business in Viet Nam 2024. EY. Available at: https://www.ey.com/content/dam/eyunifiedsite/eycom/envn/campaigns/doingbusinessinvietnam/documents/eydoingbusinessinvietnamenglishversion2024new.pdf.
- FDI Intelligence (2016) Vietnam leads emerging market greenfield FDI performance index, Financial Time. Available at: https://www.fdiintelligence.com/content/5e00bf97-3be1-5ab3-ab01-7ec096e9035d.
- General Department of Taxation (2024) Vietnam Tax Updates 2024. General Department of Taxation. Available at: https://www.gdt.gov.vn/taxupdates2024.
- Ghosal, A. (2025) "Vietnam plans energy shift toward building more solar, less reliance on gas and coal," AP News, 27 February. Available at: https://apnews.com/article/vietnam-energy-solar-gas-coal-832e7b8bb7c103fb17e1f86121f735cf.
- Gilimex (2025) Nordic FDI surges into Vietnam in first half of 2025. Gilimex Industrial Park. Available at: https://gilimexip.com/en/nordicfdisurgesintovietnaminfirsthalfof2025/.
- Gilimex (2025) FDI disbursement in Vietnam in 2024 hits record high - Gilimex, Gilimex Industrial Park. Available at: https://gilimexip.com/en/fdi-disbursement-in-vietnam-in-2024-hits-record-high/.
- Government News (2024) "Viet Nam remains world's second-largest smartphone exporter," Goverment News, 4 March. Available at: https://en.baochinhphu.vn/viet-nam-remains-worlds-second-largest-smartphone-exporter-111240304125935401.htm
- Government News (2023) Vietnam's Economic Achievements in 2023. Government News. Available at: https://en.baochinhphu.vn/vietnamseconomicachievementsin2023111230124165412345.htm
- Hoang, Q.C. and Duong, T.C. (2018) Analysis of Foreign Direct Investment and Economic Growth in Vietnam. International Journal of Business, Economics and Law, 15(2), pp. 110. Available at: https://www.ijbel.com/wpcontent/uploads/2018/04/IJBEL15_208.pdf.
- Hoang, Q.C. and Duong, T.C. (2018) "Analysis of Foreign Direct Investment and Economic Growth in Vietnam," International Journal of Business, Economics and Law, 15(5), pp. 19–27.
- Incorp (2024) Agtech in Vietnam: Modern Solutions for Agricultural Growth, InCorp Vietnam Ltd. Available at: https://vietnam.incorp.asia/agtech-in-vietnam/.
- Incorp (2024) Vietnam Business Guide 2024. Incorp Vietnam. Available at: https://incorp.asia/vietnam/guides/businessguide2024/.
- International Trade Administration (2024) Vietnam Green Building Outlook, International Trade Administration. Available at: https://www.trade.gov/market-intelligence/vietnam-green-building-outlook.
- KPMG (2017) Vietnam Tax Profile 2017. KPMG. Available at: https://assets.kpmg.com/content/dam/kpmg/vn/pdf/publication/2017vietnamtaxprofile.pdf
- KPMG (2024) Vietnam 2024 Outlook The Investor's Guide to Growth. KPMG. Available at: https://assets.kpmg.com/content/dam/kpmg/vn/pdf/2024/03/vietnam2024outlookreporten.pdf
- LawNet (2023) Vietnam's Investment Laws: Updates 2023. LawNet. Available at: https://lawnet.vn/en/investmentlaws2023.
- Le (2025) Vietnam's December 2024 with Semiconductor Advancements, InCorp Vietnam Ltd. Available at: https://vietnam.incorp.asia/vietnam-advancements-december-2024/?.com.
- Le, D. (2024) Vietnamese Unicorn Startups with MoMo and Axie Infinity, InCorp Vietnam Ltd. Available at: https://vietnam.incorp.asia/vietnamese-unicorn-startups-momo-axie-infinity/.
- Le, T. (2025) Vietnam's Renewable Energy Strategy 2025. Vietnam Energy Review. Available at: https://vietnamenergyreview.vn/renewableenergystrategy2025
- MIC (2024) Vietnam Digital Economy Report 2024. Ministry of Information and Communications. Available at: https://mic.gov.vn/digitaleconomyreport2024
- Ministry of Planning and Investment (2025) Report on Foreign Direct Investment. Ministry of Planning and Investment. Available at: https://www.mpi.gov.vn/en/Pages/ReportonForeignDirectInvestment1740.aspx.
- Ministry of Planning and Investment (2025a) FDI attraction situation in Vietnam and Vietnam's overseas investment in 2024, MPI, Available at: https://www.mpi.gov.vn/en/Pages/2025-1-14/FDI-attraction-situation-in-Vietnam-and-Vietnam-s-ehsipf.aspx.
- Ministry of Planning and Investment (2025b) Foreign investment attraction situation in 2024, FIA VietNam. Available at: https://fia.mpi.gov.vn/Detail/CatID/457641e2-2605-4632-bbd8-39ee65454a06/NewsID/f56eaaa3-0f17-4a36-9e47-1281bf95debc/MenuID/07edbbe1-67a3-484b-a4e2-b5faef1b9de5.
- MPI (2025) FDI attraction in 2024, MPI. Available at: https://www.mpi.gov.vn/en/Pages/2025-1-9/FDI-attraction-in-2024hjke3g.aspx.
- MPI (2025) FDI attraction situation in Vietnam and Vietnam's overseas investment in January 2025. Ministry of Planning and Investment. Available at: https://www.mpi.gov.vn/en/Pages/2025114/FDIattractionsituationinVietnamandVietnamsehsipf.aspx.
- Nguyen, T. (2016) A Review of Foreign Direct Investment in Vietnam: Implications for Improvements, International Economic Consulting. Available at: https://www.tradeeconomics.com/wp-content/uploads/2019/07/A-review-of-foreign-direct-investments-in-Vietnam-and-implications-for-improvement-min.pdf.
- Nhan Dan News (2022) Vietnam's Economic Recovery PostCOVID. Nhan Dan News. Available at: https://en.nhandan.vn/business/economy/item/10843202vietnamseconomicrecoverypostcovid.html
- Nikkei Asia (2024) Vietnam rises as hightech hub in Asia. Nikkei Asia. Available at: https://asia.nikkei.com/Business/Technology/Vietnamrisesashightechhubin Asia.
- PwC (2024) Viet Nam Pocket Tax Book 2024. PwC. Available at: https://www.pwc.com/vn/en/publications/2024/ptb2024.pdf.
- PwC Vietnam (2024) "Doing Business in Vietnam 2024," PwC. Available at: https://www.pwc.com/vn/en/publications/2024/doing-business-in-vietnam-2024.pdf.

REFERENCES

- PwC Vietnam (2024) Vietnam Business Environment 2024. PwC Vietnam. Available at: https://www.pwc.com/vn/en/publications/2024/businessenvironment2024.pdf
- Read, S. (2022) Vietnam's Urbanization Trends 2022. Urban Studies Journal. Available at: https://www.urbanstudiesjournal.com/vietnamurbanization2022
- Read, J. (2022) *Samsung reportedly to reduce smartphone production proportion in Vietnam to 40% , EMSNow*. Available at: https://www.emsnow.com/samsung-reportedly-to-reduce-smartphone-production-proportion-in-vietnam-to-40/.
- Reuters (2024) Vietnam's Economic Growth Accelerates in 2024. Reuters. Available at: https://www.reuters.com/markets/asia/vietnamseconomicgrowthaccelerates202420241006/
- Saigon Times (2025) Vietnam's Infrastructure Push in 2025. Saigon Times. Available at: https://www.thesaigontimes.vn/infrastructurepush2025.
- Saur Energy (2024) Vietnam's Solar Energy Surge in 2024. Saur Energy International. Available at: https://www.saurenergy.com/solarenergynews/vietnamssolarenergysurge2024.
- Saur Energy (2024) "The Top 5 Largest Solar Projects In South East Asia," Renewable Energy in Southeast Asia: Powering Sustainable Futures, 21 November. Available at: https://www.saurenergy.asia/the-top-5-largest-solar-projects-in-south-east-asia/.
- Savills Vietnam (2023) Vietnam Manufacturing Hub Journey to Global Prominence, Industrial Property by Savills Vietnam. Available at: https://industrial.savills.com.vn/2023/07/vietnam-manufacturing-hub/.
- Solar Quarter (2025) Vietnam Grants Up to 12 Years of Fee Exemptions for Green Energy Projects, SolarQuarter. Available at: https://solarquarter.com/2025/03/07/vietnam-grants-up-to-12-years-of-fee-exemptions-for-green-energy-projects/?.com.
- Solar Quarter (2025) Vietnam's Renewable Energy Market Outlook 2025. Solar Quarter. Available at: https://www.solarquarter.com/vietnamrenewableenergy2025.
- Source of Asia (2025) Navigating the global supply chain and Vietnam's position 2025 - 2026, Source of Asia. Available at: https://www.sourceofasia.com/navigating-the-global-supply-chain-and-vietnams-position-2025-2026/.
- Tilleke & Gibbins (2018) Vietnam's Third High-Tech Park Offers Incentives to Investors, Tilleke & Gibbins. Available at: https://www.tilleke.com/insights/vietnams-third-high-tech-park-offers-incentives-investors/21/.
- Tilleke & Gibbins (2018) Vietnam's Investment Incentives: A Legal Overview. Tilleke & Gibbins. Available at: https://www.tilleke.com/insights/vietnamsinvestmentincentiveslegaloverview/
- VCA (2024) Vietnam Competition Authority Report 2024. Vietnam Competition Authority. Available at: https://vca.gov.vn/report2024
- Vietnam Briefing (2024) Vietnam's Investment Landscape 2024. Vietnam Briefing. Available at: https://www.vietnambriefing.com/news/vietnamsinvestmentlandscape2024.html/
- Vietnam Briefing (2025) Vietnam's Investment Outlook 2025. Vietnam Briefing. Available at: https://www.vietnambriefing.com/news/vietnamsinvestmentoutlook2025.html/.
- Vietnam Briefing (2025) Vietnam's Investment Support Fund for High-Tech Enterprises: Decree 182, Vietnam Briefing News. Available at: https://www.vietnam-briefing.com/news/vietnams-investment-support-fund-for-high-tech-enterprises-under-decree-182-eligibility-and-application-process.html/?com.
- Vietnam Investment Review (2024) "Vietnam benefits from China+1 policy shift," Vietnam Investment Review, 17 July. Available at: https://vir.com.vn/vietnam-benefits-from-china1-policy-shift-112731.html.
- Vietnam Investment Review (2025) "Vietnam see positive growth trend into 2025," Vietnam see positive growth trend into 2025, 10 January. Available at: https://vir.com.vn/vietnam-see-positive-growth-trend-into-2025-121036.html.
- Vietnam Investment Review (2024) Vietnam boldly preparing a new industrialisation strategy. Vietnam Investment Review. Available at: https://vir.com.vn/vietnamboldlypreparinganewindustrialisationstrategy132114.html
- Vietnam Investment Review (2025) Citi raises forecast for Vietnam's 2025 GDP growth. Vietnam Investment Review. Available at: https://vir.com.vn/citiraisesforecastforvietnams2025gdpgrowth132712.html
- Vietnam News (2022) Vietnam's Economic Resilience PostPandemic. Vietnam News. Available at: https://vietnamnews.vn/economy/1283462/vietnamseconomicresiliencepostpandemic.html
- Vietnam News (2024) Vietnam's Trade Agreements Boost Exports. Vietnam News. Available at: https://vietnamnews.vn/economy/1665432/vietnamstradeagreementsboostexports.html
- Vietnam Trade Promotion Agency (2020) Vietnam's Strategic Location for Trade and Investment. Vietrade. Available at: https://www.vietrade.gov.vn/en/vietnamsstrategiclocation2020
- Vietnamnet (2025) Vietnam's Digital Economy Forecast 2025. Vietnamnet. Available at: https://vietnamnet.vn/en/digitaleconomyforecast20252234567.html.
- VLR (2024) "Southeast Asia Logistics: A New Force in the Global Supply Chain," VLR, 13 November. Available at: https://vlr.vn/southeast-asia-logistics-a-new-force-in-the-global-supply-chain-19648.html.
- VNHAM (2024) Vietnam's agricultural exports hit record high in 2024, Vietnam Holding Asset Management. Available at: https://vnham.com/blog/vietnams-agricultural-exports-hit-record-high-in-2024?.com.
- VNHAM (2024) Vietnam Healthcare Market Report 2024. Vietnam National Hospital Association. Available at: https://vnham.org.vn/healthcaremarketreport2024
- VnEconomy (2025) Importexport turnover surges by 16.1 per cent in 1H of 2025. VnEconomy. Available at: https://en.vneconomy.vn/importexportturnoversurgesby161percentin1hof2025.htm
- VnEconomy (2025a) "Domestic investment in Da Nang reached $2.88 billion in 2024," VnEconomy, 3 January. Available at: https://vneconomy.vn/domestic-investment-in-da-nang-reached-2-88-billion-in-2024.htm.
- VnEconomy (2025b) "Hai Phong attracts investment capital worth $3.3 bln in January," VnEconomy, 20 January. Available at: https://vneconomy.vn/hai-phong-attracts-investment-capital-worth-3-3-bln-in-january.htm.
- VnEconomy (2025c) "Import-export turnover set new record in 2024," VnEconomy, 6 January. Available at: https://en.vneconomy.vn/import-export-turnover-set-new-record-in-2024.htm.
- VOV (2025) Vietnam's Economic Growth in Southern Provinces 2025. VOV. Available at: https://vov.vn/en/economicgrowthsouthernprovinces2025
- Wengel, J. (2023) Vietnam's Labor Market Trends 2023. International Labour Organization. Available at: https://www.ilo.org/publications/vietnamlabormarkettrends2023.
- Wengel, F. (2023) Vietnam's Eight National Power Development Plan (PDP8) – Green Finance & Development Center, Green Finance & Development Center. Available at: https://greenfdc.org/vietnams-eight-national-power-development-plan-pdp8/.
- World Bank (2025) Vietnam: Trade openness, World Bank Group. Available at: https://www.worldbank.org/ext/en/home.
- World Bank Group (2022) "Investment policy and regulatory review." World Bank Group. Available at:https://openknowledge.worldbank.org/server/api/core/bitstreams/7374570b-7eba-5c91-8ff5-5d4a3dbb5b3f/content.
- World Bank Group (2022) 2022 Investment Policy and Regulatory Review Vietnam. World Bank Group. Available at: https://openknowledge.worldbank.org/entities/publication/626026b3cafd5983bbadd534a44d5f8b
- World Energy News (2025) Vietnam's Renewable Energy Progress 2025. World Energy News. Available at: https://www.worldenergynews.com/vietnamrenewableenergy2025.
- World Energy News (2025) Boeing, Apple and GE will join US business delegation to Vietnam next week list shows, World Energy News. Available at: https://www.worldenergynews.com/news/boeing-apple-and-will-join-business-delegation-758975.
- WTO (2024) Vietnam-Singapore Partnership Advances with Focus on Sustainability, Investment, and Trade, WTO center. Available at: https://wtocenter.vn/an-pham/26611-vietnam-singapore-partnership-advances-with-focus-on-sustainability-investment-and-trade.
- WTO Center (2024) VietnamSingapore Partnership Advances with Focus on Sustainability, Investment, and Trade. WTO Center. Available at: https://wtocenter.vn/rcepmarket/26611vietnamsingaporepartnershipadvanceswithfocusonsustainabilityinvestmentandtrade

DISCLAIMER

This report has been prepared for informational and reference purposes only. The data, statistics, and insights presented in the Vietnam Investment Annual Report 2024 are based on publicly available sources, third-party research, and government publications believed to be reliable at the time of writing. However, no guarantee is given as to the accuracy, completeness, or timeliness of the information provided.

The opinions and interpretations expressed in this report reflect the authors' analysis as of the date of publication and may be subject to change without prior notice. This report does not constitute professional advice, investment recommendations, or an offer to buy or sell any product or service.

Readers are encouraged to independently verify information before making any business, financial, or strategic decisions based on this report. The authors and affiliated organizations assume no responsibility for any loss, damage, or consequences arising from the use or reliance on the contents herein.

More Inquiries And Information About Us

Devinciia has brought together a team of highly motivated employees with extensive experience in market research. We are not just a research company. We are a strategic partner who can help you re-frame problems and spark solutions to the most challenging business questions.

We have experience working with businesses, government agencies and nonprofit organizations in Vietnam. We are dedicated to delivering superior consulting and research services, including data analysis, market research and consumer analysis to help create powerful marketing research solutions and better marketing strategies for local and multinational companies and organizations.

Our broad experience allows us to understand your particular needs and to build our business relationship around your specific circumstances.

CONTACT

We're always here to talk to you and assist you in the best way:

Website :
www.devinciia.com

Address :
Floor 11, Viet A Tower
No.9 Duy Tan, Cau Giay, Hanoi, Vietnam

Email address :
info@devinciia.com